



FIVE-YEAR CONSOLIDATED PLAN

April 1, 2005 -- March 31, 2010

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I. GENERAL

A. INTRODUCTION

The Montana Department of Commerce (MDOC) is the lead agency overseeing the development of the Consolidated Plan. The five-year Consolidated Plan for plan years April 1, 2005 through March 31, 2010 is designed to meet the requirements set forth by the U.S. Department of Housing and Urban Development (HUD).

The state of Montana's Consolidated Plan provides a strategy for and describes how federal funds will be used to meet community development and housing needs statewide. This document and Montana's Annual Action Plan, serve as both a plan and an application to the HUD for the Community Development Block Grant (CDBG), the Home Investment Partnerships (HOME), and Emergency Shelter Grant (ESG) programs. Montana's plan year begins on April 1 of each year and runs through March 31.

This document may be used by individuals, communities, and organizations to assist them in meeting the overall goal of the CDBG, HOME, and ESG programs. This goal is to develop viable communities by providing decent housing, a suitable living environment, and expanding economic opportunities principally for low- and moderate-income persons.¹

- Decent housing includes assisting homeless persons to obtain appropriate housing and assisting persons at risk of becoming homeless; retaining affordable housing stock; and increasing the availability of permanent housing in standard condition and affordable cost to low-income and moderate-income families, particularly to members of disadvantaged minorities, without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability. Decent housing also includes increasing the supply of supportive housing, which combines structural features and services needed to enable persons with special needs, including persons with HIV/AIDS and their families, to live with dignity and independence; and providing housing affordable to low-income persons that is accessible to job opportunities.
- A suitable living environment includes improving the safety and livability of neighborhoods; increasing access to quality public and private facilities and services; reducing the isolation of income groups within a community or geographical area through the spatial deconcentration of housing opportunities for persons of lower income and the revitalization of deteriorating or deteriorated neighborhoods; restoring and preserving properties of special historic, architectural, or aesthetic value; and conservation of energy resources.
- Expanding economic opportunities includes creating and retaining jobs; establishing, stabilizing and expanding small businesses (including microbusinesses); providing

¹ 24 CFR Part 91.1, Consolidated Submissions for Community Planning and Development Programs

public services concerned with employment; providing jobs involved in carrying out activities under programs covered by this plan to low-income persons living in areas affected by those programs and activities; making available mortgage financing for low-income persons at reasonable rates using nondiscriminatory lending practices; providing access to capital and credit for development activities that promote the long-term economic and social viability of the community; and providing empowerment and self-sufficiency opportunities for low-income persons to reduce generational poverty in federally assisted and public housing.

B. GENERAL INFORMATION

1. Geographic Area

Montana's Consolidated Plan covers the entire state, with the exception of the three entitlement jurisdictions: the cities of Billings, Great Falls, and Missoula. The largest city, Billings, is only 92,008 in population and the next two largest, Missoula and Great Falls, have populations of 59,518 and 56,046, respectively.² Assistance is generally available in all areas of the state except for the three entitlement jurisdictions. Since these three areas receive separate funding allocations from HUD, they are generally not eligible to receive funds from the state programs, as discussed more fully in the state's Annual Action Plan.

Top Ten Cities (2002 Estimates)		Top Ten Counties (2003 Estimates)	
Billings	92,008	Yellowstone	133,191
Missoula	59,518	Missoula	98,616
Great Falls	56,046	Cascade	79,561
Butte-Silver Bow*	32,716	Flathead	79,485
Bozeman	29,459	Gallatin	73,243
Helena	26,353	Lewis & Clark	57,137
Kalispell	15,463	Ravalli	38,662
Havre	9,454	Silver Bow	33,208
Anaconda-Deer Lodge*	9,069	Lake	27,197
Miles City	8,224	Lincoln	18,835
*Consolidated City/County			

The state of Montana generally is racially homogeneous, with a 90.6 percent white population. Native Americans make up 6.2 percent of the population. Blacks and Asians comprise 0.8 percent of the population. Another 2.3 percent label their race as "other" or "two or more."³

Total Native American population in the state rose 17.6 percent between 1990 and 2000. The Native American population in Montana is mapped in Appendix D, page D-1.

Across the state, the Hispanic population increased 48.5 percent from 1990 to 2000 to 18,081. In 2000, the Hispanic population comprised two percent of the total population.

² 2003 U.S. Census Bureau Estimates, *Montana by the Numbers*, Montana Department of Commerce, Census and Economic Information Center, August 26, 2004.

³ Race data for the 2000 Census are not directly comparable to the 1990 Census. In the 2000 Census, people were able to identify themselves as more than one race; previously, people could indicate only one race. The general positive or negative direction of the change in particular population groups between 1990 and 2000 is likely to be accurate and is used here to point out State trends.

Hispanic concentrations vary widely by county. Six counties reported fewer than 10 Hispanic residents.

With 147,029 square miles, or more than 94 million acres, Montana is the fourth ranked state in terms of area, behind Alaska, Texas, and California, but in 2002 was ranked 44th in the nation (including the District of Columbia) in population. From east to west, the state measures approximately 550 miles at its longest point, and approximately 320 miles from north to south at the widest point. It is further by highway from Yaak, in far northwestern Montana, to Alzada in the southeastern corner (774 miles) than it is from Washington D.C. to Chicago.⁴ (See area comparison map in Appendix D, page D-2.)

Montana is larger than the combined area of 10 north Atlantic states (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont), yet has only two percent of the combined population of those states. There are more public road miles in Montana than Interstate miles in the entire U.S., and 53 of Montana's 56 counties are larger than Rhode Island.⁵ The average population density is 6.2 persons per square mile, but varies from a high of 48.18 persons per square mile in Silver Bow County to 0.27 per square mile in Garfield County. (See population density map in Appendix D, page D-3.)

Over the past 10 years, Montana's population density and growth has been centered around the western part of the state. (See *Geographic Center of Population* map in Appendix D, page D-4.) The eastern part of the state has seen a decrease in total population and an increase in the elderly population as a percentage of total population. (See maps in Appendix D, pages D-5 and D-6.) Additionally, unincorporated areas of the state have grown three times faster than in the 126 incorporated cities and towns.

The *Economic and Demographic Analysis*, Volume II-Demographic Analysis⁶, presents a more thorough analysis of demographic data by county for Montana. These statistics include 1990 and 2000 Census population data as well as current population estimates. Certain social characteristics are also examined such as gender, age and race, population living in group quarters, marital status, veteran status, and school enrollment. Detailed data on the disabled population in Montana is also presented in the Appendix to Volume II of the *Economic and Demographic Analysis*.⁷

2. Geographic Distribution

Housing and community development needs vary widely across Montana. The extreme diversity in available housing, age of housing stock, and overall range in population (see map of 2003 population estimates, page D-7) complicate the assessment of the type and degree of housing and community development needs. Because of the limited

⁴ Information from the Montana Department of Transportation website 8/26/04

⁵ *Ibid.*

⁶ *Economic and Demographic Analysis of Montana*, Volume II, Demographic Analysis, Center for Applied Economic Research, Montana State University-Billings, December 2004.

⁷ *Ibid.*

availability of resources and the extent of community development and housing needs, MDOC programs are implemented on a statewide competitive basis. Entities receiving CDBG and HOME funds must have previous grant awards substantially drawn down before they are eligible to apply for additional program funds. This method has been shown to disburse funds equitably throughout the state, allowing all groups an equal chance to apply for funds and providing an incentive for grant recipients to complete projects on a timely basis. Together, all funding methods, whether through a formula, as in the ESG grants, or competitive, as in CDBG and HOME grants, over time, tend to widely distribute grant assistance throughout the state.

C. MANAGING THE PROCESS [91.300(b)]

1. Lead Agency

The MDOC Housing Division is responsible for developing the Consolidated Plan and related documents. The MDOC administers two of the three HUD programs included in this Plan and the Montana Department of Public Health and Human Services (MDPHHS) administers the third program:

- HOME Program – Housing Division, MDOC
- CDBG Program – Community Development and Business Resources Divisions, MDOC
- ESG Program – Human and Community Services Division, MDPHHS

2. Development Process and Consultations

The development, preparation, and review of the plan are based upon the current citizen participation process. This process promotes a unifying opportunity for units of local government, the state of Montana, and others to continue developing cohesive, attractive, safe, and economically vibrant communities. The citizen participation process encourages all citizens, especially low-income residents, to take a part in shaping their own future.

The MDOC prepared the Consolidated Plan through consultation with the following groups and organizations, coordinated with the statewide citizen participation process.

- ☐ Montana Department of Commerce (MDOC)
 - Housing Division (HD)
 - Community Development Division (CDD)
 - Business Resources Division (BRD)
 - Census and Economic Information Center (CEIC)
- ☐ Montana Department Public Health and Human Services (MDPHHS)
 - Intergovernmental Human Services Bureau (IHSB)
 - Addictive & Mental Disorders Division (AMDD)

- ☐ Montana Department of Labor and Industry (MDOLI)
 - Montana Human Rights Bureau (MHRB)
- ☐ Montana Department of Revenue (MDOR)
 - Property Tax Division
- ☐ Housing Coordinating Team (HCT)⁸
- ☐ Consolidated Plan Steering Committee⁹
- ☐ Water, Wastewater and Solid Waste Agencies Coordination Team (W₂ASACT)¹⁰
- ☐ Western Economic Services, Inc. prepared the *Analysis of Impediments to Fair Housing and Housing Choice* as an additional component of the Consolidated Plan.
- ☐ Montana State University-Billings, Center for Applied Economic Research, staff prepared the *Housing Condition Study, Housing Needs Assessment, Economic Benefits of MDOC Housing Programs, Economic and Demographic Analysis of Montana*, and *Economic and Demographic Databook* as supporting documents to the statewide Consolidated Plan.

D. CITIZEN PARTICIPATION PROCESS [91.300(b)]

1. Summary of the Process

The development of the Consolidated Plan has been enhanced by and coordinated through contacts, meetings and correspondence with Montana citizens, public and private organizations, and state agencies. The preparation of the interim Annual Action Plans will continue to rely on coordination and cooperation of these entities. See **Appendix B** for a complete copy of the Citizen Participation Plan.

To gather additional public comment for the planning and review process, four public input meetings, including one by METNet videoconference, were held in March and April 2004: The METNet interactive videoconference was broadcast simultaneously in ten cities around the state on April 22.

On-Site Public Input Meetings				
Location		Date	Time	# Attendees
Glasgow	Cottonwood Inn	Mar. 30, 2004	7:00 – 8:30 pm	5
Anaconda	Community Service Center	Apr. 6, 2004	11:30 am – 1:00 pm	6
Shelby	Marias River Electric Co-op	Apr. 14, 2004	11:30 am – 1:00 pm	8

⁸ See Appendix A, page A-1, for a list of committee members

⁹ *Ibid.*, page A-2.

¹⁰ *Ibid.*, page A-4.

METNet Videoconference Public Input Meeting April 22, 2004, 2:00 to 4:00 pm		
Location		# Attendees
Helena	Department of Public Health & Human Services	11
Bozeman	Montana State University	2
Butte	Montana Tech of the University of Montana	2
Dillon	Western Montana College of the University of Montana	2
Havre	Montana State University–Northern	4
Kalispell	Flathead Valley Community College	4
Miles City	Miles Community College	7
Billings	Montana State University–Billings	19
Great Falls	MSU College of Technology	3
Missoula	University of Montana	10

Three public review meetings were held in October 2004 together with the joint application housing application workshops sponsored by the MDOC's CDBG and HOME Program, the Montana Board of Housing, and U.S. Department of Agriculture Rural Development (USDA-RD). In addition, an interactive videoconference meeting was broadcast simultaneously in eight cities around the state in November 2004.

On-Site Public Review Meetings				
Location		Date	Time	# Attendees
Miles City	Guest House Inn	Oct. 13, 2004	12:00 – 1:15 pm	15
Lewistown	Yogo Inn	Oct. 19, 2004	12:00 – 1:15 pm	15
Missoula	Best Inn & Conference Center-South	Oct. 21, 2004	12:00 – 1:15 pm	26

METNet Videoconference Public Review Meeting November 18, 2004, 3:00 – 5:00 pm		
Location		# Attendees
Helena	Department of Public Health & Human Services	7
Bozeman	Montana State University	3
Butte	Montana Tech of the University of Montana	1
Havre	Montana State University–Northern	2
Kalispell	Flathead Valley Community College	5
Billings	Montana State University–Billings	3
Great Falls	MSU College of Technology	2
Missoula	University of Montana	7

2. Citizen Comments

See **Appendix C** for a summary of the comments received at the meetings, written comments received during the comment periods, and responses to the comments.

3. Efforts to Broaden Public Participation

See **Appendix B** for a complete copy of the Citizen Participation Plan, including efforts made by the state to broaden public participation starting on page B-2.

E. INSTITUTIONAL STRUCTURE [91.315(i)]

Preparing and updating the Consolidated Plan for housing and community development is an on-going process. Throughout this process, the state strives to improve the delivery of assistance to the people of Montana. The state supports policies and programs that support decent, safe, affordable housing, services for the homeless, and other non-housing community development activities, such as infrastructure enhancement and economic development.

Throughout the year, the MDOC interacts with other agencies and organizations with a commitment to better develop housing and community development strategies. The MDOC maintains its commitment to inform others of their responsibility to participate in the consolidated planning process and to promote affordable housing, adequate infrastructure, and economic development in local communities. The MDOC supports a broad-based “team” approach to address affordable housing issues through the formation of the Consolidated Plan Steering Committee, Housing Coordinating Team (HCT), and Housing Working Group (HWG). The MDOC has also been a long-standing member of the Water, Wastewater and Solid Waste Action Coordinating Team (W₂ASACT), formed in 1982 to address infrastructure issues. These committees and groups continue to provide direction and input to the Consolidated Plan.

The Montana Board of Housing (MBOH) and the Housing and Community Development Divisions of the MDOC continue improving coordination in the area of joint applications, workshops, and reporting forms.

The CDBG Economic Development (CDBG-ED) Program works in tandem with the other business financing and technical assistance programs in the Business Resources Division (BRD) to meet the objectives of the MDOC regarding statewide economic development. In addition to providing loans to for-profit businesses, CDBG provides leverage of dollars and technical assistance to the business community throughout the state.

The MDOC HOME Program continues to advise nonprofit groups on how to form certified Community Housing Development Organizations (CHDOs). An MDOC-certified CHDO can apply for set-aside funds under the MDOC HOME Program. Local units of government (cities, towns, and counties), public housing authorities (PHAs), and CHDOs are eligible to apply for HOME grant funds under the HUD-approved program description.

Members of the **Consolidated Plan Steering Committee**, with representatives from the HOME, MBOH and CDBG programs, other Housing Division programs, the Addictive & Mental Disorders Division of the MDPHHS, the Montana Home Choice Coalition, and Fannie Mae’s Montana Partnership Office meet during the plan development process to review the status of the annual Action Plans and five-year plan. In addition, other agencies, such as the Montana Department of Environmental Quality (MDEQ), the Montana Department of Natural Resources and Conservation (MDNRC),

the MDPHHS, the MDOLI, and other interested parties are solicited as needed for input on specific topics contained in the action plan and supporting studies.

The **Housing Working Group**, formed by the MDOC in 1996, reviews areas where regulations are adding to the cost of housing in Montana. Other areas addressed by the HWG include the legislative process, comprehensive planning and zoning, subdivision standards, disincentives to building within city limits, and financing for infrastructure costs.

The **Housing Coordinating Team**, also chartered by the MDOC, facilitates statewide coordination in the delivery of housing services to individual housing providers and local organizations. Areas of cooperation include evaluating the effects of impact fees on affordable housing, coordinating monitoring requirements within the MDOC programs, and making minor adjustments to the common application for housing projects. Participating organizations include the MDOC and MDPHHS, HUD, Fannie Mae's Montana Partnership Office (MTPO), USDA-RD, and local housing authorities.

The **Water, Wastewater and Solid Waste Action Coordinating Team** is a group of professionals from state and federal governments, and nonprofit organizations that finance, regulate, and/or provide technical assistance for infrastructure, principally drinking water and wastewater systems. Meeting bimonthly, W₂ASACT explores and coordinates a wide range of activities linked to improving the environmental infrastructure of local governments and unincorporated communities across Montana. W₂ASACT regularly sponsors and coordinates annual seminars statewide to explain the various financial programs and resources available to assist local governments in funding their infrastructure needs. Civil engineers, local government representatives, and technical assistance providers are invited to present comprehensive information regarding environmental infrastructure projects. W₂ASACT subcommittees address issues of community planning and environment regulation in order to streamline the application and project implementation process for small rural communities.

In addition, staff from the MDOC regularly attends meetings held by the **Montana Continuum of Care**, the **Montana Home Choice Coalition**, the **Montana Homeownership Network**, and the **Tri-State HELP Program**, the **Mental Health Oversight Advisory Council**, and the **Montana Council on Homelessness**.

- The **Montana Continuum of Care** (MT CoC) for the Homeless Coalition is a statewide collaboration of diverse homeless service providers, nonprofit organizations, and local and state governments. The coalition was formed to address homelessness with very few resources to cover Montana's vast geographical area.
- The **Montana Home Choice Coalition** is a coalition of Montana citizens working together to create better housing opportunities for Montana citizens with disabilities. A.W.A.R.E., Inc. coordinates the Coalition, which receives support and sponsorship from the Fannie Mae MTPO and the MDPHHS. The Coalition develops new housing and resources directly and in partnership with other entities, provides education,

advocacy and housing counseling, and collects data to support its goal of creating better housing choices for Montanans with disabilities.

- An affiliate of Neighborhood Housing Services, Inc. of Great Falls (NHS), the **Montana Homeownership Network (MHN)** is a nonprofit housing provider offering affordable home ownership opportunities to lower income individuals and families around the state. Its partners include the Missoula Housing Corp., state Resource Conservation and Development Board, Natural Resource Conservation Service, USDA-RD, HUD, Assiniboine and Sioux Tribal Enterprise, Salish and Kootenai Housing Authority, Neighborhood Reinvestment, cities of Great Falls and Billings, Fannie Mae MTPO, First Interstate BancSystem Foundation, Heritage Bank, US Bank, Wells Fargo Bank, Stockman Bank, Montana Building Industry Association, Montana REALTOR® Association, Career Training Institute, Helena Area Housing Task Force, Helena Housing Development Corporation, Human Resource Development Councils, as well as the MBOH.
- The **Tri-State HELP** Program is a housing assistance program for people living with HIV/AIDS in the states of Montana, North Dakota, and South Dakota. Tri-State HELP is funded through a competitive Housing Opportunities for Persons With AIDS (HOPWA) grant from HUD.
- The 1999 Montana Legislature directed the Montana Department of Public Health and Human Services to create the **Mental Health Oversight Advisory Council (MHOAC)**. MHOAC provides input to the MDPHHS in the development and management of the public mental health system. MHOAC membership includes consumers of mental health services including those who currently receive or formerly received public mental health services, immediate family members of recipients of mental health services, advocates for consumers or family members of consumers, the public at large, mental health service providers, legislators, and MDPHHS representatives.
- In response to the growing problem of homelessness in Montana, former Governor Judy Martz issued an Executive Order in June 2004, establishing the **Montana Council on Homelessness (MCH)**. The Council was structured to establish vital links among the efforts and resources of state and federal agencies, communities, tribes, nonprofits, and others. The MCH is charged with developing a 10-year plan to eradicate chronic homelessness in Montana and with addressing this multi-faceted issue through policy, protocols, recommendations for legislation and the creative use of new and existing resources. The MCH consists of representatives from the Governor's office, Montana-Wyoming Tribal Leaders Council, MDPHHS, MDOC, Social Security Administration, Veterans' Affairs Division, Montana Department of Corrections, Office of Public Instruction, Montana Board of Crime Control, Health Care for the Homeless, American Indian Advocacy & Legal Counsel, homeless service providers, homeless or previously homeless persons, MDOLI, addictive and mental disorders, Montana CoC, and HUD. See Appendix A, page A-3, for a list of council members as of December 31, 2004.

F. MONITORING

1. CDBG Program

CDBG projects will be monitored on-site during the plan year. A basic requirement of the Montana CDBG Programs: Housing, Public Facilities and Economic Development, is that state program staff will monitor each project at least once. CDBG operates under a comprehensive monitoring system, meaning that all elements of the local CDBG project are reviewed in up to eleven different areas. Within each of these areas, staff completes an extensive checklist whereby each project element is reviewed for compliance with HUD and state program requirements. Following the monitoring visit, staff issues a formal letter to the chief elected official of the local government reporting on the monitoring visit, noting any "Concerns," "Questions of Performance," or "Findings", as may be applicable. Local governments are asked to respond promptly regarding any questions of performance or findings.

For CDBG economic development projects, the method of project monitoring has been modified over the years in response to the many nonprofit community development organizations that are managing CDBG economic development loan funds for one or more local governments. More emphasis is placed on loan documentation and financial evaluation procedures, requiring additional technical assistance from the state and other federal partners. A revolving loan fund (RLF) checklist has been developed for CDBG economic development projects that have received loan repayments. Loan fund managers can also use it as a reference guide. In addition, when appropriate, CDBG economic development projects may be monitored in areas only where performance problems are anticipated.

2. HOME Program

All HOME projects will be monitored on-site. Monitoring includes determining compliance with housing codes and applicable regulations, assessing affirmative marketing actions and outreach to minority and women-owned businesses, and reviewing data on the amount and use of program income or CHDO proceeds, as applicable, for projects, including the number of projects and owner and tenant characteristics. The HOME Program staff will specifically check soft costs and project costs of HOME funds drawn on a minimum of 15 percent of the drawdown requests. HOME Program staff will also verify annual Income and Affordability certifications.

The HOME Program will monitor all projects completed during the program year in a timely manner. On-site visits of rental units are conducted based on the number of project units and a period of affordability. On-site visits of TBRA units are performed each year. HOME staff will also verify program income or CHDO proceeds reports during on-site visits.

3. ESG Program

ESG funds will be distributed to each Human Resource Development Council (HRDC) in Montana. The HRDCs submit annual work plans, budgets, and reports outlining which allowable activities will be undertaken. The MDPHHS enters into a contract with each HRDC, which will explicitly describe percentage limitations on staff operations established by HUD regulation. ESG staff monitors each HRDC onsite annually, following the work plan submitted, and checks expenditures made to ensure contract compliance.

G. PRIORITY NEEDS ANALYSIS AND STRATEGIES

The Consolidated Plan requires a priority needs summary table to rank the housing needs [91.315(b)] for each household type, homelessness, other (non-homeless) special needs, and non-housing community development needs as high, medium, or low. Generally, it was inferred from available information that all needs in the state were either medium or high priority. In the absence of new information, these priority levels will remain the same for the five-year plan period. The state determined the priorities at the statewide level. It is up to each locality, through more detailed local analyses, studies and needs assessments, to determine its own area(s) of highest need. The state reserves the right to make a determination of local need based on local analyses, studies and needs assessments, which may override the state's priority level.

H. LEAD-BASED PAINT [91.315(g)]

Although the exact number of houses in Montana containing hazardous lead-based paint is not available, the number of houses that are at the highest risk for lead-based paint hazards can be estimated. According to Census 2000 data¹¹, the age of Montana's housing units are as follows:

<u>Year Built</u>	<u>Approx. Age</u>	<u>Occupied Units</u>	
		<u>Number</u>	<u>%</u>
1939 or earlier	61+ years	72,285	17%
1940-1949	51-60 years	28,881	7%
1950-1959	41-50 years	48,830	12%
1960-1969	31-40 years	45,751	11%
1970-1979	21-30 years	89,740	22%
1980-1989	11-20 years	54,320	13%
1990-1994	6-10 years	27,750	7%
1995-1998	2-5 years	34,131	8%
1999-March 2000	1 year or less	10,945	3%
		412,633	100%

¹¹ *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004.

Based on the number of houses in Montana that were built in or before 1979, it is estimated that there are nearly 285,500 units at risk of containing lead-based paint in Montana. Although this is approximately 69 percent of the housing units in the state, it is important to note that one cannot assume that all of these units contain lead-based paint and that the presence of lead-based paint alone does not indicate the extent of exposure hazards. Education and awareness of the potential hazards and the need to properly maintain, control, and abate paint potentially containing lead is crucial.

The MDOC does not have a lead testing or abatement program in place at this time and does not plan to test or study housing units located in the state. However, for projects assisted with HOME or CDBG funds, grantees are required to ensure that the appropriate notification, inspection, testing, interim controls or abatement, and clearance activities are followed. In addition, the HOME and CDBG programs present information on the LBP regulations and lead-safe work practices at its application and grant administration workshops.

Further, the MDOC promotes lead-based paint training whenever it is aware of it being offered in the state. Currently, the more populated areas of the state have trained workers in lead-safe work practices, qualifying them to work on rehab projects costing less than \$25,000. Rural areas of the state, however, remain under-prepared to address lead-based paint hazards.

The state does have one accredited lead analysis laboratory, Northern Analytical Laboratories of Billings, which can perform analyses on paint chips, dust wipes, and soil. The state also has several individual contractors and a few companies certified to perform LBP activities within the state; however, coverage is spotty.

II. HOUSING

A. HOUSING NEEDS [91.305]

Housing needs vary widely across Montana. Extreme diversity in available housing, age of housing stock, and overall range in population density complicate assessments of degree and type of need. There is a broad array of housing availability, affordability, and suitability problems across Montana. Simply treating the symptoms will not be sufficient to solve the problems. Resources are not adequate to deal with all housing needs and requirements plaguing the state.

The *Montana Housing Needs Assessment*¹² was prepared in order to quantify the state's estimated housing needs from 2006-2010 and to establish priorities for these needs. A household forecast was prepared for 2006 through 2010. In addition, a housing needs survey was undertaken to better gauge housing needs throughout the

¹² *Montana Housing Needs Assessment*, Center for Applied Economic Research, Montana State University-Billings, December 2004.

state. The combination of the household forecast and housing needs survey are the basis for the state's housing needs assessment and determination of the priorities to meet these needs.

Additionally, Volume III of the *Economic and Demographic Analysis of Montana*¹³ presents housing statistics by county for Montana using 1990 and 2000 Census data, including (a) the year the structure was built, (b) the number of units in the structure, (c) the number of rooms per structure, (d) the occupants per room, and (e) number of structures lacking complete plumbing or kitchen facilities. Census 2000 homeownership rates are analyzed as well. The Census forecast of 2001, 2002 and 2003 housing units is also presented as well as historical new construction permit data.

Current year data on total monthly housing costs are calculated including mortgage payment or rental payment, property taxes, insurance cost and utility costs. These costs are compared to median family income to determine affordability. Historical information on housing prices is presented as well.

The MDOC also prepared the *Montana Housing Condition Study*¹⁴ to evaluate the current housing stock in the state. The detailed data presented in the study on the current housing stock is intended to help the state and community organizations better understand what types of housing are available for rent and for purchase and to assist them in determining the housing needs of Montana citizens.

Data regarding the physical characteristics and residential improvements of all residential property was extracted from the Computer Assisted Mass Appraisal System (CAMAS) database maintained by the Montana Department of Revenue (MDOR). The MDOR collects different information on commercial property, including commercial dwellings. While there is some focus on describing the property and its attributes (type of structure, number of bedrooms, number of bathrooms, construction grade, and physical condition), a greater emphasis is placed on determining the income derived from the property to determine assessed value. Commercial dwellings are all considered rental properties.

Data presented in the study is at the state level; however, data for each county and selected municipalities is available and can be obtained by contacting the Montana Department of Commerce HOME program at (406) 841-2820, or downloaded from the Consolidated Plan website:

http://housing.state.mt.us/Hous_CP_Apps.asp

¹³ *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004.

¹⁴ *Montana Housing Condition Study*, Center for Applied Economic Research, Montana State University-Billings, February 2005.

1. Household Forecasts¹⁵

The base for the household forecast was a special tabulation of Census 2000 data. This data set is typically referred to as the “CHAS Data”¹⁶. The data includes a variety of housing need variables split by median family income (MFI)¹⁷ limits and household types.

The data is broken down by renter households or owner households and HUD-adjusted MFI for the area (0%-30%, 31%-50%, 51%-80%, and over 80% of MFI). The data is also broken down by household type:

- Elderly households: A one or two person household in which the head of the household or spouse is at least 62 years of age.
- Small related households: A household of 2 to 4 persons that includes at least one person related to the householder by blood, marriage, or adoption.
- Large related households: A household of 5 or more persons that includes at least one person related to the householder by blood, marriage, or adoption.
- Other households: A household of one or more persons that does not meet the definition of a small related, large related or elderly household (primarily unrelated households without an elderly member).
- Mobility or self-care limitation households: A household where one or more persons has: 1) a long-lasting condition that substantially limits one or more basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying and/or 2) a physical, mental, or emotional condition lasting more than 6 months that creates difficulty with dressing, bathing, or getting around inside the home.

The Census 2000 CHAS data was used as the base for applying growth rates to estimate households in Montana from 2006-2010. The growth rates were taken from the *Economic and Demographic Databook*¹⁸ for Montana published in December 2003. The Databook contains data by county from 1970 through 2030 on employment by industry, income, and population (by age, sex, and total households).

The estimates for “elderly” and “mobility or self-care limitation” households were prepared using the growth rates for persons 65 years or older, as these growth rates are somewhat higher than the household growth rate and reflect Montana’s aging population, and the fact that mobility/self-care limitations increase with age. The estimates for all other households were prepared using the overall growth rates for

¹⁵ *Montana Housing Needs Assessment*, Center for Applied Economic Research, Montana State University-Billings, December 2004.

¹⁶ “CHAS” refers to the Comprehensive Housing Affordability Strategy, which is part of the National Affordability Housing Act of 1991.

¹⁷ MFI (median family income) is the point at where one-half of families are at higher income levels and one-half of families are at lower income levels.

¹⁸ *State of Montana Economic and Demographic Databook*, Center for Applied Economic Research, Montana State University-Billings, December 2003

households. Detailed estimates by county are presented in the appendix to the *Montana Housing Needs Assessment*.

Overall, Montana's homeownership rate in 2000 was above the national average, at 69.1%. This rate was 2.9 percent higher than the national average of 66.2 percent. Montana's homeownership rate was higher than 28 other states in the nation. Montana's homeownership rate increased over 20 percent from Census 2000 to Census 1990. This increase was higher than 35 other states.

The following table presents the total number of estimated renter and owner households in Montana from 2006 to 2010. Estimated households assume that the homeownership rate will stay at the same level.

Renter and Homeowner Households							
	Total Households						
	Census 2000	Forecasted					Increase 2006-2010
		2006	2007	2008	2009	2010	
Renters	110,855	114,160	115,211	116,292	117,435	118,636	4,475
Homeowners	247,730	255,115	257,465	259,882	262,433	265,118	10,003
Total Households	358,585	369,275	372,676	376,174	379,868	383,754	14,478

Household data is also tabulated based on HUD-adjusted MFI. HUD adjusts MFI for areas that have unusually high or low income to housing cost relationships, but generally:

- 0%-30% of MFI represents extremely low-income
- 31%-50% of MFI represents very low-income
- 51%-80% of MFI represents low-income

The following table presents the forecasted change in the number of renter and owner households by income category from 2006-2010.

Households by Income Categories

Renter Households							
Percent of MFI	Census 2000	Forecasted					Increase 2006-2010
		2006	2007	2008	2009	2010	
0%-30%	23,893	24,605	24,832	25,065	25,311	25,570	965
31%-50%	22,001	22,657	22,866	23,080	23,307	23,545	888
51%-80%	25,891	26,663	26,908	27,161	27,389	27,708	1,045
Over 80%	39,070	40,235	40,605	40,986	41,389	41,812	1,577
Total Renter Households	110,855	114,160	115,211	116,292	117,435	118,635	4,475
Owner Households							
Percent of MFI	Census 2000	Forecasted					Increase 2006-2010
		2006	2007	2008	2009	2010	
0%-30%	15,656	16,123	16,271	16,424	16,585	16,755	632
31%-50%	22,561	23,234	23,448	23,668	23,900	24,145	911
51%-80%	42,193	43,451	43,851	44,263	44,697	45,155	1,704
Over 80%	167,320	172,308	173,895	175,527	177,250	179,064	6,756
Total Owner Households	247,730	255,115	257,465	259,882	262,433	265,118	10,003

While 32 percent of Montana homeowners are in the low-income categories (0%-80% MFI), more than double, or 65 percent of Montana renters are in the low-income categories. Overall, 42 percent of the state's households are in the low-income categories. These percentages emphasize the importance of affordable housing in Montana.

Households are also forecasted based on size and type:

- Small related are non-elderly households with 2-4 persons, at least two members are related.
- Large related are non-elderly households with 5 or more persons, at least two members are related.
- Elderly households have at least one person 62 years or older, members can be related or unrelated.
- Other households are unrelated households without an elderly member.

Households by Family Size and Income														
	Renter Households							Owner Households						
	Census 2000	Forecasted						Census 2000	Forecasted					
		2006	2007	2008	2009	2010	Incr./((Decr.) 2006-2010		2006	2007	2008	2009	2010	Incr./((Decr.) 2006-2010
Small Related														
0%-30%	7,210	7,425	7,493	7,564	7,638	7,716	291	4,655	4,794	4,838	4,883	4,931	4,982	188
31%-50%	6,765	6,967	7,031	7,097	7,167	7,240	273	6,299	6,487	6,547	6,608	6,673	6,741	254
51%-80%	9,357	9,636	9,725	9,816	9,912	10,014	378	15,228	15,682	15,826	15,975	16,132	16,297	615
Over 80%	16,862	17,365	17,525	17,689	17,863	18,046	681	94,835	97,662	98,562	99,487	100,463	101,491	3,829
Large Related														
0%-30%	1,481	1,524	1,538	1,553	1,568	1,584	60	1,065	1,097	1,107	1,117	1,128	1,140	43
31%-50%	1,630	1,679	1,694	1,710	1,727	1,744	65	1,829	1,884	1,901	1,919	1,938	1,957	73
51%-80%	2,425	2,497	2,520	2,544	2,569	2,595	98	4,528	4,663	4,706	4,750	4,797	4,846	183
Over 80%	2,695	2,775	2,801	2,827	2,855	2,884	109	15,413	15,872	16,019	16,169	16,328	16,495	623
Elderly														
0%-30%	4,938	5,137	5,217	5,257	5,336	5,496	359	5,938	6,177	6,273	6,321	6,417	6,608	431
31%-50%	5,027	5,230	5,311	2,351	5,432	5,595	365	10,595	11,022	11,193	11,279	11,449	11,791	769
51%-80%	3,887	4,044	4,106	4,138	4,200	4,326	282	15,753	16,388	16,642	16,769	17,023	17,532	1,144
Over 80%	4,798	4,991	5,069	5,108	5,185	5,340	349	37,578	39,093	39,699	40,002	40,608	41,821	2,728
All Other														
0%-30%	10,265	10,519	10,584	10,692	10,769	10,775	256	3,998	4,055	4,053	4,102	4,109	4,025	-30
31%-50%	8,579	8,782	8,830	5,922	8,981	8,966	184	3,838	3,841	3,807	3,862	3,840	3,655	-186
51%-80%	10,222	10,486	10,557	10,663	10,746	10,773	287	6,684	6,718	6,676	6,768	6,745	6,480	-238
Over 80%	14,715	15,103	15,211	15,363	15,486	15,543	440	19,494	19,680	19,615	19,869	19,851	19,257	-423
Total Households	110,856	114,160	115,212	110,294	117,434	118,637	4,477	247,730	255,115	257,464	259,880	262,432	265,118	10,003

a. Elderly Households

Elderly households present a very different picture from the state overall. While 42 percent of all Montana's households are in the low-income categories, 52 percent of the elderly households are in the low-income categories. This reflects the fact that many seniors are on a fixed income. Conversely, while the overall homeownership rate is 69.1 percent, Montana's elderly homeownership rate is 78.9 percent. This may reflect the fact that many elderly members have been in their homes for quite some time, and that their homes were affordable when purchased. Many elderly homeowners may have paid off their mortgage, which makes their home affordable despite their lower income.

Elderly households forecasted by MFI level and by renters and owners are presented in the following table:

Elderly Households							
Percent of MFI	Census 2000	Forecasted					Increase 2006-2010
		2006	2007	2008	2009	2010	
0%-30%	10,876	11,315	11,490	11,578	11,753	12,104	789
31%-50%	15,622	16,252	16,504	16,630	16,882	17,386	1,134
51%-80%	19,640	20,432	20,749	20,907	21,224	21,857	1,425
Over 80%	42,376	44,085	44,768	45,110	45,793	47,160	3,075
Total Elderly Households	88,514	92,084	93,511	94,225	95,652	98,507	6,423
Renters	18,650	19,403	19,703	19,854	20,154	20,756	1,353
Owners	69,864	72,681	73,808	74,371	75,498	77,751	5,070
Total Elderly Households	88,514	92,084	93,511	94,225	95,652	98,507	6,423

b. Special Needs Households

The regulations governing the Consolidated Plan defines special needs households as a household where one or more persons have mobility impairments or disabilities (i.e., mental, physical, developmental, persons with HIV/AIDS) or with alcohol or other drug addiction that may require housing with supportive services.

The CHAS 2000 data is available for households with a mobility or self-care limitation. This definition includes all households where one or more persons has 1) a long-lasting condition that substantially limits one or more basic physical activity, such as walking, climbing stairs, reaching, lifting, or carrying and/or 2) a physical, mental, or emotional condition lasting more than 6 months that creates difficulty with dressing, bathing, or getting around inside the home. For purposes of the Consolidated Plan, Montana has chosen to use the CHAS 2000 data for forecasting special needs households.

Special needs populations also present a very different picture from the state overall. While 42 percent of all Montana's households are in the low-income categories, 57.5 percent of the special needs households are in the low-income categories. However,

while the overall homeownership rate is 69.1 percent, Montana's special needs homeownership rate is only slightly lower at 68.4 percent.

Special needs households forecasted by MFI level and by renters and owners are presented in the following table:

Special Needs Households							
Percent of MFI	Census 2000	Forecasted					Increase 2006-2010
		2006	2007	2008	2009	2010	
0%-30%	11,365	11,823	12,007	12,098	12,282	12,648	825
31%-50%	11,580	12,047	12,234	12,327	12,514	12,887	840
51%-80%	13,455	13,998	14,215	14,323	14,540	14,974	976
Over 80%	26,883	27,967	28,401	28,617	29,051	29,918	1,951
Total Special Needs Households	63,283	65,835	66,857	67,365	68,387	70,427	4,592
Renters	20,009	20,816	21,139	21,300	21,623	22,268	1,594
Owners	43,274	45,019	45,718	46,065	46,764	48,159	3,448
Total Special Needs Households	63,283	65,835	66,857	67,365	68,387	70,427	5,042

2. Housing Problems

Housing characteristics collected by the Census Bureau include the year the structure was built, number of rooms per structure, number of occupants per room, and units lacking complete kitchen or plumbing facilities.

a. Year Structure was Built

Based on Census 2000 data, the age of Montana's occupied housing units are as follows:

<u>Year Built</u>	<u>Approx. Age</u>	<u>% of Occupied Units</u>
1939 or earlier	61+ years	17%
1940-1949	51-60 years	7%
1950-1959	41-50 years	12%
1960-1969	31-40 years	11%
1970-1979	21-30 years	22%
1980-1989	11-20 years	13%
1990-1994	6-10 years	7%
1995-1998	2-5 years	8%
1999-March 2000	1 year or less	<u>3%</u>
		100%

As of March 2000, almost one-half (47 percent) of Montana's housing units were 31 years old or older, while only 18 percent were 10 years old or less.¹⁹

The *Montana Housing Condition Study*²⁰ shows additional information. From the CAMAS database accessed in mid-2004²¹, there were 402,393 residential dwelling units and 12,921 commercial dwelling structures containing 46,230 dwelling units. The total dwelling units of 448,623 per CAMAS compares to 412,633 housing units reported by Census 2000, and 419,726 estimated by the Census Bureau as of July 1, 2003.²²

The CAMAS residential database results are summarized in the following table by type and year built:

Residential Dwellings by Construction Era					
Year Built	Condominium	Mobile Home	Single Family	Total	Percent
1959 or earlier	267	2,211	148,747	151,225	37.6%
1960-1969	1,064	10,528	24,948	36,540	9.1%
1970-1979	2,500	32,516	47,187	82,203	20.4%
1980-1989	2,987	10,022	29,419	42,428	10.5%
1990-1999	3,643	15,692	45,811	65,146	16.2%
2000	307	1,623	5,018	6,948	1.7%
2001	503	999	5,641	7,143	1.8%
2002	619	908	5,824	7,351	1.8%
2003	167	449	2,715	3,331	0.8%
2004	0	66	12	78	---
TOTAL	12,057	75,014	315,322	402,393	

Although approximately 47 percent of the residential housing stock is more than 35 years old, over 20 percent of the housing stock has been built in the last 15 years. While the share of housing stock has decreased for mobile homes (from 40 percent of housing added in the 1970s to 24 percent added in the 1990s), it has increased for condominiums (construction doubled from the 1960/1970s to the 1980/1990s) and single-family homes (from 73 percent of housing stock constructed prior to 1990 to 76 percent constructed since 1990).

¹⁹ *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004.

²⁰ *Montana Housing Condition Study*, Center for Applied Economic Research, Montana State University-Billings, February 2005.

²¹ Since the database was accessed in mid-2004, data for 2004, and possibly 2003, is incomplete, as all properties constructed in 2003 and 2004 may not have been entered into the database, depending on the appraisal cycle.

²² The CAMAS database is maintained by the MDOR for assessment and property taxation purposes. Property tax records are maintained in two separate databases: property taxed as residential and property taxed as commercial. Property taxed as residential includes single-family homes, condominiums and mobile homes. Vacant residential lots and outbuildings are also part of the residential database, but are excluded from the study. Property taxed as commercial includes apartments, duplexes, condominiums, mixed-use structures and townhouses. Non-residential commercial structures and vacant lots are also part of the commercial database, but are excluded from the study.

Commercial structures used for residential purposes includes various structure types, including single-family homes, duplexes, triplexes, fourplexes, apartment buildings, townhouses, row houses, condominiums, and mixed use structures that may have some residential use contained within the structure.

Commercial Structure Type by Construction Era													
Year Built	Apartment:		Boarding/ rooming house	Condo	Duplex	Triplex	4-plex	Mixed use built as:		Single- family	Town- house	Total	%
	<4 stories	4+ stories						Comm.	Resid.				
1959 or earlier	1,353	25	6	-	2,006	644	746	49	50	268	45	5,192	40.2%
1960-1969	253	-	2	-	588	76	261	7	7	24	8	1,226	9.5%
1970-1979	754	11	1	25	1,144	113	727	3	7	35	22	2,842	22.0%
1980-1989	393	4	1	2	413	85	387	1	1	13	55	1,355	10.5%
1990-1999	439	-	3	5	553	84	334	6	5	16	25	1,470	11.4%
2000	42	-	1	-	75	1	53	2	1	4	3	182	1.4%
2001	48	-	-	-	61	4	46	-	1	-	3	163	1.3%
2002	87	-	-	-	62	12	46	-	-	4	1	212	1.6%
2003	71	-	-	1	133	9	57	-	-	5	1	277	2.1%
2004	-	-	-	-	2	-	-	-	-	-	-	2	-
TOTAL	3,440	40	14	33	5,037	1,028	2,657	68	72	369	163	12,921	

b. Number of Rooms per Structure

The number of total rooms per structure is reported by room for “1 - 8 rooms”, for “9 or more rooms”, and for the median number of rooms. Median is the number where one-half of the structures have more rooms, and one-half of the structures have fewer rooms. According to the 2000 Census²³ for Montana, the median number of rooms is 5.3, and the median by county ranges from 4.6 rooms (Granite) to 5.9 rooms (Dawson).

From 1990 to 2000, the category with the greatest percentage increase was eight rooms (32 percent increase). However, this category only makes up nine percent of occupied housing units:

<u>Number of Rooms</u>	<u>% of Occupied Housing Units</u>	<u>% Change 1990 to 2000</u>
1	2%	31% increase
2	5%	28% increase
3	9%	7% increase
4	18%	4% decrease
5	21%	11% increase
6	15%	15% increase
7	11%	28% increase
8	9%	32% increase
9 or more	10%	30% increase

In 2000, 54 percent of Montana’s occupied housing units had between four and six rooms; however, these three categories combined only increased seven percent

²³ *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004.

between 1990 and 2000. While units with seven or more rooms were 30 percent of occupied units, these three categories increased 96 percent between 1990 and 2000.

According to the *Montana Housing Condition Study*²⁴, the market for newly constructed homes shows a trend toward larger living spaces, in both square feet as well as increased bedrooms and full bathrooms. Prior to 1960, two-bedroom homes represented 37 percent of the residential housing stock while three-bedroom homes represented 32 percent. Beginning in the 1970s, construction of three-bedroom homes was significantly higher than construction of two-bedroom homes. For example, in the 1990's, three-bedroom homes accounted for 56 percent of housing constructed while two-bedroom homes accounted for 20 percent.

Since 1959, three-bedroom homes account for 50 percent of residential housing constructed while two-bedroom homes account for 27 percent. This change has been offset by a one-third decrease in construction of one-bedroom/studio homes, while the percentage of 4+ bedroom homes constructed has remained relatively constant since 1969.

Number of Bedrooms by Construction Era														
Year Built	None/Studio		1 Bdrm		2 Bdrms		3 Bdrms		4 Bdrms		5 Bdrms		6+ Bdrms	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
1959 or earlier	2,157	1.4%	19,240	12.7%	56,012	37.0%	47,673	0	19,882	13.1%	4,923	3.3%	1,338	0.9%
1960-1969	384	1.1%	2,264	6.2%	13,286	36.4%	13,528	37.0%	5,166	14.1%	1,572	4.3%	340	0.9%
1970-1979	607	0.7%	2,829	3.4%	26,392	32.1%	38,916	47.3%	10,164	12.4%	2,741	3.3%	554	0.7%
1980-1989	403	0.9%	2,437	5.7%	11,593	27.3%	21,507	50.7%	5,227	12.3%	1,011	2.4%	247	0.6%
1990-1999	609	0.9%	3,152	4.8%	13,035	20.0%	36,792	56.5%	9,177	14.1%	1,910	2.9%	471	0.7%
2000	83	0.5%	349	1.9%	12,559	68.8%	3,884	21.3%	1,079	5.9%	216	1.2%	78	0.4%
2001	82	1.1%	402	5.6%	1,300	18.2%	3,906	54.7%	1,115	15.6%	265	3.7%	73	1.0%
2002	106	1.4%	487	6.6%	1,326	18.0%	3,969	54.0%	1,147	15.6%	243	3.3%	73	1.0%
2003	50	1.5%	136	4.1%	551	16.5%	1,937	58.2%	517	15.5%	107	3.2%	33	1.0%
2004	-	0.0%	1	1.3%	18	23.1%	54	69.2%	3	3.8%	2	2.6%	-	0.0%
TOTAL	4,481	1.1%	31,297	7.6%	136,072	32.9%	172,166	41.6%	53,477	12.9%	12,990	3.1%	3,207	0.8%

c. Number of Occupants per Room²⁵

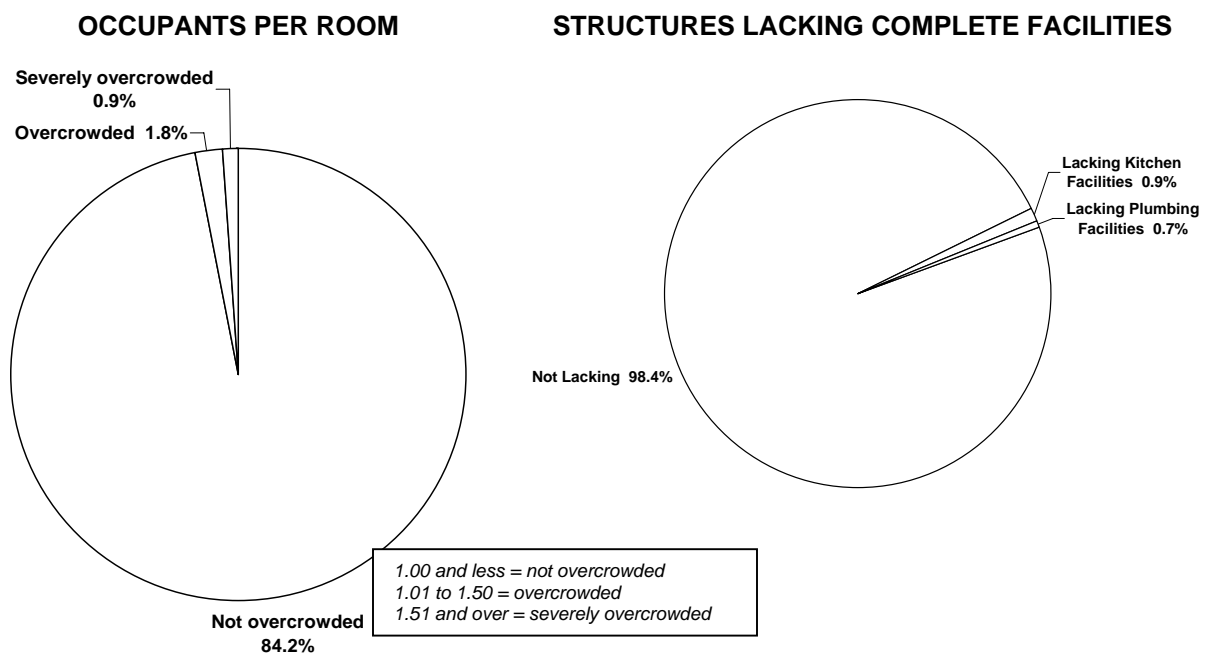
The Census defines more than one person per room (total rooms in the home, not just bedrooms) as overcrowding; more than 1.50 persons per room is defined as extreme overcrowding. In 2000, 3.1 percent (11,242) of Montana's households were considered overcrowded and one-third (3,676) of those were considered extremely overcrowded. In 1990, 2.5 percent (8,886) of households were considered overcrowded. There was a 27 percent increase in the number of households defined as overcrowded between 1990 and 2000.

²⁴ *Montana Housing Condition Study*, Center for Applied Economic Research, Montana State University-Billings, February 2005.

²⁵ *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004.

d. Structures Lacking Complete Plumbing or Kitchen Facilities²⁶

The absence of either complete plumbing or kitchen facilities is defined as substandard living conditions. Housing units are described as lacking complete plumbing facilities if any one of these three items is not present: (1) hot and cold piped water, (2) a flushing toilet, and (3) a bathtub or shower. Housing units are described as lacking complete kitchen facilities if any one of these three items is not present: (1) a sink with piped water, (2) a range or a stove, and (3) a refrigerator. Fortunately, only 0.8 percent of Montana's occupied housing units lacked complete plumbing facilities, and only 1.1 percent lacked complete kitchen facilities. These figures have decreased about 50 percent since the 1990 Census.



3. Condition of the Residential Housing Stock²⁷

The MDOR appraisers collect substantive information about the physical condition and construction of residential improvements. This includes basic data such as building style, type of foundation, roof materials, basement type, wall construction, and exterior wall finish. Additionally, appraisers rate the physical condition and quality and workmanship of the dwelling. Using these ratings, they assign an effective use and condition to the dwelling, which indicates its effective age.

²⁶ *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004.

²⁷ *Montana Housing Condition Study*, Center for Applied Economic Research, Montana State University-Billings, February 2005.

The physical condition, desirability and usefulness rating assigned to a dwelling refers to a composite judgment of the overall physical condition or state of repair of the interior and exterior features of the dwelling relative to its age. In making this judgment, consideration is given to the foundation, porches, walls, exterior trim, roofing, chimneys, wall finish, interior trim, kitchen cabinets, heating system and plumbing. The condition ratings are:

- Unsound indicates that the dwelling is definitely structurally unsound and practically unfit for use.
- Very poor indicates that the dwelling is definitely structurally unsound and practically unfit for use. Repair and overhaul is needed on painted surfaces, roofing, plumbing, and heating. There is excessive deferred maintenance and abuse. Property is approaching abandonment or major reconstruction.
- Poor indicates that definite deterioration is obvious. Property is undesirable and barely usable.
- Fair indicates marked deterioration but is still quite usable. Property is rather unattractive and undesirable. Much repair is needed and many items need refinishing or overhauling. Deferred maintenance is obvious.
- Average indicates normal wear and tear relative to its age. Property has average attractiveness and is desirable. There is some evidence of deferred maintenance needed such as minor repairs and refinishing. All major components are still functional.
- Good indicates that minor deterioration is visible. Property is slightly more attractive and desirable. No obvious maintenance is required, but neither is everything new. Appearance is above the standard relative to the property's age.
- Very good indicates slight evidence of deterioration. All items are well maintained and have been overhauled and repaired as they show signs of wear. There is little deterioration or obsolescence and a high standard of upkeep relative to its age.
- Excellent indicates perfect condition. The property is very attractive and highly desirable. All items that can be normally repaired or refinished have been recently corrected, such as new roofing, paint, furnace overhaul and state-of-the-art components. There are no functional inadequacies and all components are new or in like-new condition. Most new homes would receive a condition rating of excellent (unless constructed with substandard materials and workmanship).

Montana's residential housing stock is made up of 3.3 percent that is unsuitable for habitation (rated unsound or very poor), or almost 13,248 dwellings. Another 23,756 dwellings are in poor shape and 60,546 in fair shape. In total, over 97,000 dwellings are in serious need of maintenance and overhaul. Over 75 percent of the housing stock is in average to excellent condition.

Physical Condition by Structure Type					
Physical Condition	Condominium	Mobile Home	Single Family	Total	Percent of Total
Unsound	168	1,650	3,957	5,775	1.4%
Very Poor	3	1,576	5,894	7,473	1.9%
Poor	542	10,314	12,900	23,756	5.9%
Fair	376	22,047	38,123	60,546	15.0%
Average	2,952	27,450	133,922	164,324	40.9%
Good	3,619	9,872	88,458	101,949	25.3%
Very Good	2,389	1,883	26,036	30,308	7.5%
Excellent	2,008	222	6,032	8,262	2.1%
TOTAL	12,057	75,014	315,322	402,393	100.0%

Comparing the percentages to the previous housing condition study undertaken in 1999, there has been some improvement in Montana's housing stock at the two lowest condition ratings and a significant increase in the percentage of dwellings in above-average condition.

	2004	1999
Unsound/very poor	3.3%	3.8%
Poor	5.9	5.5
Fair	15.0	15.8
Average	40.9	55.5
Good/very good	32.8	18.0
Excellent	2.1	1.4
	100.0%	100.0%

As with residential dwellings, appraisers evaluate the current physical condition of commercial buildings and dwellings taking into consideration the foundation, frame, exterior walls, roof, heating, air conditioning, lighting and electrical systems, plumbing, internal walls and floor finish:

- Poor indicates that the exterior/interior line is structurally unsound, and that major structural elements require replacement. The interior is dilapidated and does not appear suitable for use.
- Fair indicates that the exterior/interior line shows marked wear and deterioration but the property is usable for commercial or industrial purposes. It could be characterized as "needing work".
- Normal indicates that the exterior/interior lines show only minor signs of physical deterioration due to "wear and tear". There are few indications of deferred maintenance and no significant repairs or replacements are necessary.
- Good – indicates that the exterior/interior line is in new or "like new" condition. There are no deficiencies in material or construction and no signs of deferred maintenance.
- Excellent indicates that a major renovation or rehabilitation has taken place. The effective age of the exterior/interior line has been altered to that of a much newer

building in good condition. The amount of work done to enhance the appearance and structural soundness is far in excess of that required for normal maintenance.

Physical Condition of Dwelling Units in Commercial Structures							
Structure Type	Missing Data	Poor	Fair	Normal	Good	Excellent	Total
Apartment <4 stories	15	407	2,797	16,058	3,956	6	23,239
Apartment 4+ stories	-	-	284	685	-	-	969
Boarding/rooming house	-	-	131	55	-	47	233
Condo	-	-	-	52	33	-	85
Duplex	2	102	970	6,825	1,129	26	9,054
Triplex	4	101	875	6,832	1,151	76	9,039
Fourplex	-	10	32	86	5	-	133
Mixed use built as commercial	-	1	27	85	18	-	131
Mixed use built as residential	-	6	138	316	18	-	478
Single-family	-	19	104	582	55	-	760
Townhouse	-	35	433	1,401	234	6	2,109
Total	21	681	5,791	32,977	6,599	161	46,230
% of Total	-	1.5%	12.5%	71.3%	14.3%	0.3%	

Approximately 86 percent of the dwelling units are in normal or better condition. However, almost 6,500 units, or 14 percent of total units, are either unsound or in need of improvements.

4. Housing Costs²⁸

a. Owner Households

According to Census 2000, the median monthly owner costs as a percentage of (1999) monthly income for homeowners with a mortgage was 21.7 percent, up slightly from 21.0 percent in 1990. The Census Bureau includes mortgage payments, real estate taxes, property insurance, and utilities in the cost calculation.

In dollars, the median monthly owner costs in the United States were \$940, compared to \$735 for Montana. Calculated costs ranged from a high of \$1,376 in California to a low of \$636 in West Virginia. Housing costs as a percentage of household income were 22.2 percent for Montana. Although Montana's housing costs are below the national average in dollars (\$735 versus \$940), they are above the national average in terms of the percentage of monthly household income (22.2% versus 21.0%). The increase in monthly housing costs as a percentage of household income increased from 20.2% in 1990 to 22.2% in 2000. This increase is three times the national increase. While this is in part due to larger homes being built, income is clearly not keeping up with increased

²⁸ *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004.

housing costs. Affordability is definitely an issue in many counties around the state. The comparatively lower homeownership rates (under 65 percent) in two large counties, Gallatin and Missoula, also point to an affordability issue.

b. Renter Households

According to the Census Bureau, rents have risen every decade since 1950. The median monthly gross rent for the United States was \$602, up 5.4 percent from the \$571 median in 1990. Gross rent includes rent plus utilities. The median monthly gross rent for Montana was \$447 in 2000, up 13 percent from \$396 in 1990. Gross monthly rent ranged from a high of \$779 in Hawaii to a low of \$401 in West Virginia.

In 2000, median monthly gross rent as a percentage of (1999) household income was 25.5 percent for the United States, down from 26.4 percent in 1990. For Montana in 2000, this percentage was 25.3 percent, up slightly from 25.0 percent in 1990. Here again, Montana's increase outpaced the United States in terms of dollars and percent of household income. This is due in part to Montana's historically low household income.

A map showing median gross rent by county from Census 2000 is in Appendix D, page 12.

c. Housing Prices

The American Chambers of Commerce Research Association (ACCRA) collects data on the cost of living for selected areas around the country. It is a weighted index based on 25% for a two bedroom rental and 75% for an 1,800 square foot home with a 25% down payment. For Montana, areas tracked are Billings, Bozeman, Great Falls, Helena, Kalispell, and Missoula. This index is presented for housing costs in the following table page. As these numbers represent an index, a number of 100.00 would be in line with the national average, while a number below 100 would be below and a number above 100 would be above the national average. It is important to keep in mind that these indices are tabulated based on data reported by each chamber, and these organizations collect data differently over time and differently from each other.

ACCRA HOUSING COST OF LIVING INDEX

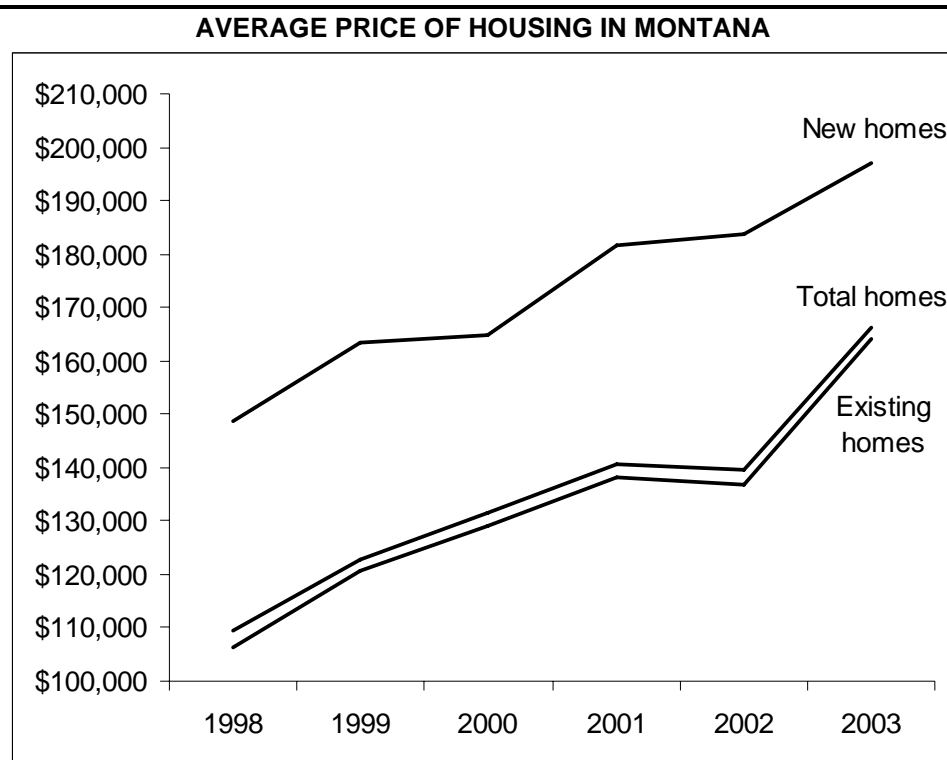
YR Q	METROPOLITAN AREAS		NON-METROPOLITAN AREAS			
	BILLINGS	GREAT FALLS	BOZEMAN	HELENA	KALISPELL	MISSOULA
90 IV	NA	NA	94.1	NA	NA	NA
91 I	NA	NA	93.1	NA	NA	NA
91 II	NA	NA	94.5	89.9	NA	87.8
91 III	NA	NA	90.6	NA	NA	86.8
91 IV	NA	86.0	100.2	NA	NA	94.5
92 I	NA	NA	103.4	NA	NA	94.1
92 II	NA	84.9	99.6	103.7	NA	94.5
92 III	107.2	83.4	106.0	99.5	NA	92.8
92 IV	109.5	86.3	106.9	101.7	NA	98.5
93 I	116.8	83.4	109.9	NA	NA	93.5
93 II	110.0	83.5	111.6	95.2	NA	96.6
93 III	110.9	82.8	113.3	NA	NA	96.7
93 IV	111.5	82.1	120.2	NA	NA	97.1
94 I	114.3	NA	115.4	NA	NA	103.0
94 II	110.1	91.9	118.4	NA	NA	102.0
94 III	110.6	91.3	115.3	NA	NA	101.3
94 IV	NA	NA	NA	NA	NA	NA
95 I	105.8	108.2	109.4	NA	NA	103.0
95 II	110.7	NA	117.4	87.7	104.3	102.4
95 III	107.4	NA	106.2	NA	NA	100.6
95 IV	104.3	85.7	106.4	86.5	NA	102.0
96 I	101.2	NA	100.2	92.7	NA	101.4
96 II	102.2	104.6	104.0	81.9	NA	103.9
96 III	103.9	128.4	107.3	107.4	NA	103.0
96 IV	103.7	120.0	106.6	108.3	NA	104.0
97 I	102.8	110.5	106.2	93.5	NA	104.2
97 II	102.2	108.8	101.0	94.9	NA	103.3
97 III	101.3	108.9	99.1	110.7	NA	110.5
97 IV	103.5	105.8	99.7	104.2	NA	109.5
98 I	102.1	107.0	101.5	103.7	94.9	109.5
98 II	101.7	105.5	99.9	108.1	91.9	108.0
98 III	101.8	104.8	99.6	107.5	99.5	108.6
98 IV	99.0	102.7	98.6	107.9	102.1	106.4
99 I	100.0	103.0	103.2	106.8	100.0	106.2
99 II	99.2	101.3	100.6	107.2	107.2	105.9
99 III	98.6	98.3	104.2	114.8	105.4	105.4
99 IV	100.4	101.0	100.0	105.6	108.3	105.9
00 I	101.3	88.7	91.0	99.3	111.9	89.8
00 II	96.2	113.4	116.0	NA	103.4	93.7
00 III	93.5	84.8	99.7	92.5	107.0	96.4
00 IV	94.5	115.6	98.0	NA	100.7	95.5
01 I	94.1	115.5	95.2	88.5	99.4	93.4
01 II	92.7	112.1	105.6	NA	96.3	NA
01 III	93.0	90.1	117.4	NA	95.9	96.3
01 IV	89.0	80.8	113.3	NA	95.3	102.2
02 I	87.4	77.5	106.0	81.6	89.4	99.1
02 II	89.0	78.2	108.3	82.7	89.3	91.4
02 III	89.1	81.1	100.1	82.1	89.6	102.1
02 IV	95.3	81.5	97.2	87.6	89.9	102.5
03 I	90.7	78.7	95.9	88.3	87.4	94.2
03 II	88.0	77.1	98.1	86.8	86.5	87.9
03 III	84.9	82.3	105.1	87.5	86.0	84.8
03 IV	87.8	83.1	107.7	89.7	87.0	98.5
04 I	86.4	85.7	108.8	90.7	87.9	86.9
04 II	83.8	83.3	109.2	82.7	87.3	87.9

Another way to analyze housing costs is by sales of homes. Since 1998, the Montana Board of Housing has collected home sales statistics throughout the state. These statistics represent a sample from all home sales and are collected from banks, title companies, and local real estate associations. Since 1998, the sample size has more than doubled, from 5,066 sales in 1998 to 10,600 sales in 2003. A larger sample size produces numbers that are more accurate²⁹.

From this sample, historical housing prices have been as follows:

Average	1998	1999	2000	2001	2002	2003	1998-2003 Change	2002-2003 Change
New homes	\$148,649	\$163,286	\$164,824	\$181,683	\$183,645	\$196,971	32.5%	7.3%
Existing homes	\$106,374	\$120,657	\$128,982	\$138,134	\$136,834	\$164,187	54.3%	20.0%
Total homes	\$109,495	\$122,914	\$131,407	\$140,596	\$139,439	\$166,253	51.8%	19.2%
Median								
New Homes	\$125,450	\$141,650	\$137,100	\$142,900	\$156,352	\$169,690	35.3%	8.5%
Existing Homes	\$94,000	\$101,300	\$113,000	\$117,000	\$117,700	\$134,000	42.6%	13.8%
Total Homes	\$95,000	\$103,811	\$115,000	\$119,000	\$120,000	\$136,500	43.7%	13.8%
Sample Size	5,066	6,533	5,661	8,419	10,656	10,600	109.2%	-0.5%

Median is the number where one-half of sales are higher and one-half of sales are lower.



²⁹ Average and median price of housing by county can be found in Tables III.15 and III.16 of the *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004.

d. Total Monthly Housing Costs

Purchase Price/Monthly Cost: During May through August 2004, data was collected from newspaper classified advertisements for one, two and three-bedroom rental properties (including advertised rentals for apartments, condos, single-family homes, and manufactured/mobile homes) and for two, three, four and 5+³⁰ bedroom site-built homes for sale (excluding manufactured and mobile homes), and for lots appropriate for manufactured housing. The data collected by county is presented in Table III.17 of Volume III of the Economic and Demographic Analysis³¹.

An average price for a three-bedroom doublewide manufactured home was estimated using Census data and data from Pierce Homes in Billings. The Census Bureau (using a HUD Survey) reported the average sales price in 2003 for a new doublewide manufactured home in Montana as \$63,700. This figure includes set up costs and utility hook up costs. The average cost for pouring a foundation obtained from Pierce Homes was \$8,000, for a total cost of \$71,700.

Finance, Insurance, Taxes: A telephone survey of bankers and insurance agents was conducted in July 2004 to determine the average interest rate, origination fees, closing costs and insurance rate by county. Property tax rates were obtained from the Montana Department of Revenue and represent the average rate by county. The data collected by county is presented in Table III.18 of Volume III of the Economic and Demographic Analysis³².

Utilities: Monthly utility costs were calculated from the Section 8 Utility Allowance Schedules (UAS) effective October 2004. The “for rent” category utilized the Multi-Family UAS; the “manufactured home for sale” category utilized the Mobile Home UAS and the “2 – 5+ bedroom for sale category” utilized the Single-Family UAS. A weighted average rate was used for space heating, water heating, and cooking. This rate was based on historical energy consumption in Montana.³³ Electrical costs for lighting, refrigerators, and other use were included. Homes with 5+ bedrooms were assumed to have air conditioning and the cost for this was included. Water, sewer and trash costs were included for homeowners; renters were assumed to pay for these services as part of their rent. As noted above, the “for rent” columns include advertised rentals for apartments, condos, and single-family homes, and manufactured/mobile homes while the “for sale” column includes manufactured homes (excluding mobile homes) and 2 –

³⁰ 5+ bedroom homes are homes with more than 4 bedrooms; or with extra features such as a pool, a view, or acreage.

³¹ *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004

³² *Ibid.*

³³ Historical energy use (obtained from the Energy Information Administration) was calculated as 55% natural gas, 11% bottled gas, and 34% electricity for the period 1996 – 2000 (most recent available data).

5+ bedroom single-family homes, townhouses, and condos. The monthly utility costs can be found in Table III.19 of Volume III of the Economic and Demographic Analysis³⁴.

Using the data collected (advertised prices, finance, tax, insurance and utility costs), the monthly cost of housing in Montana was computed for each county. For homeowners, the calculation assumes the purchase was financed with a conventional 30-year mortgage with a 10% down payment for 2 and 3 bedroom homes and a 20% down payment for 4 and 5+ bedroom homes. Private mortgage insurance (PMI) was included in the 10% down payment calculation at an average rate of .65% of the loan amount annually³⁵. Fees and closing costs were also financed over 30 years. Property taxes, insurance costs, and utility costs were added to determine the total monthly cost of owning a home.

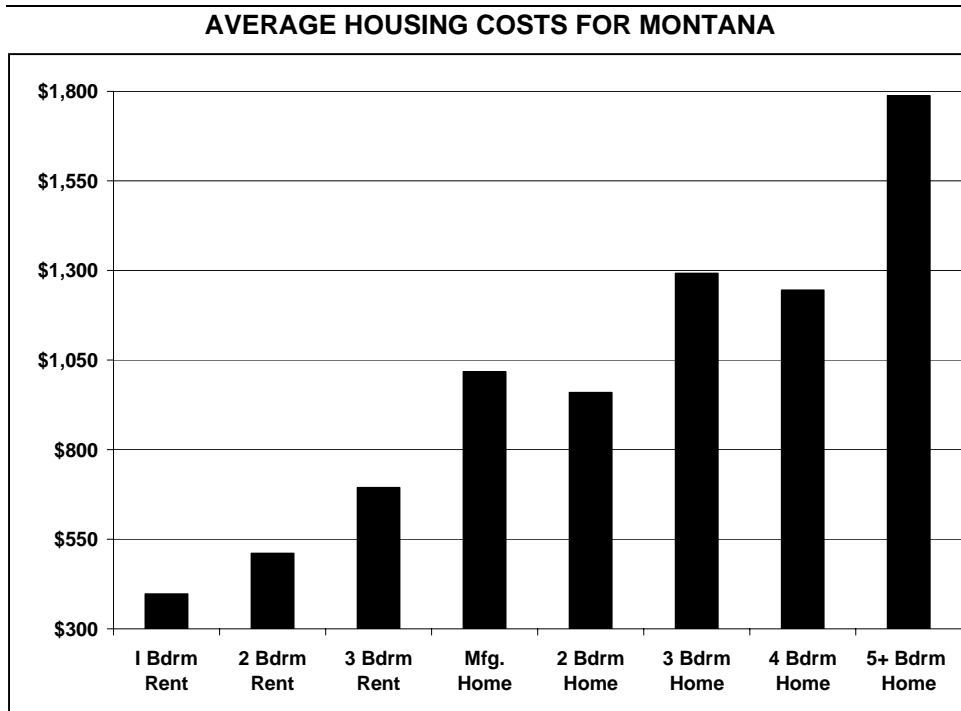
For manufactured home purchasers, the calculation assumes the purchase of the manufactured home and lot were financed with a conventional 30-year mortgage with a 10 percent down payment, and PMI at 0.65 percent of the loan amount annually. Fees and closing costs were also financed over 30 years. Property taxes, insurance costs and utility costs were added to determine the total monthly cost of owning a three-bedroom doublewide manufactured home.

For renters, the monthly rental cost and monthly utility cost were added together to determine the total monthly cost of renting a home. The average costs for Montana for each category are depicted in the following chart. The costs in detail by county can be found in Table III.20 of Volume III of the Economic and Demographic Analysis.³⁶

³⁴ *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004

³⁵ PMI rates range from .52% to .78% annually for a 10% down payment loan.

³⁶ *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004



5. Median Family Income and Cost Burden Thresholds³⁷

HUD sets income limits that determine the eligibility of applicants for assisted housing programs. Using data from the Census, the American Community Survey, and the Bureau of Labor Statistics, HUD estimates median family income (one-half of families have higher income, one-half of families have lower income) for a family of four (base) and adjusts this income number for different family sizes as follows:

<u>Family Size</u>	<u>Percentage Adjustment to Base</u>
1	70% of Base
2	80% of Base
3	90% of Base
4	Base
5	108% of Base
6	116% of Base
7	124% of Base
8	132% of Base

HUD then calculates three income categories for a four-person household:

1. 0-30% of median family income (the lowest income category);
2. 31-50% of median family income, which is defined as very low-income; and
3. 51-80% of median family income, which is defined as low-income.

³⁷ *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004.

Adjustments are made for areas that have unusually high or low income to housing cost relationships.

HUD's definition of a cost burden is when at least 30 percent³⁸ of a household's monthly income is spent on housing costs, including utilities such as energy. HUD's definition of a severe cost burden is when 50 percent or more of monthly income is spent on housing costs. Cost burden thresholds based on 30 percent and 50 percent of a household's monthly income were calculated for each of HUD's three income categories noted above.

Comparing these cost burdens thresholds to the monthly cost of housing,³⁹ we get a picture of housing affordability:

	MONTHLY HOUSING COST		MONTHLY COST BURDEN THRESHOLD (30% of MFI)		
	3 BDRM RENTAL	3 BDRM PURCHASE	0-30% MFI	31-50% MFI	51-80% MFI
Billings	\$860	\$1,467	\$403	\$670	\$1,073
Great Falls	\$801	\$1,199	\$344	\$574	\$918
Missoula	\$1,024	\$1,956	\$396	\$660	\$1,056
MONTANA AVERAGE	\$694	\$1,292	\$352	\$587	\$939
	MONTHLY HOUSING COST		MONTHLY SEVERE COST BURDEN THRESHOLD (50% of MFI)		
	3 BDRM RENTAL	3 BDRM PURCHASE	0-30% MFI	31-50% MFI	51-80% MFI
Billings	\$860	\$1,467	\$671	\$1,117	\$1,788
Great Falls	\$801	\$1,199	\$573	\$956	\$1,529
Missoula	\$1,024	\$1,956	\$660	\$1,100	\$1,760
MONTANA AVERAGE	\$694	\$1,292	\$586	\$978	\$1,565

Cost burdens are based on median family income for a family of four. The cost burden thresholds are compared to a three-bedroom home, which would adequately accommodate a family of this size. If the monthly housing cost exceeds the cost burden threshold, a cost burden or severe cost burden exists, and housing is not affordable (i.e., more than 30% or 50% of a household's income is spent on housing costs).

Looking at the table above, the shaded numbers indicate that a family could not afford to rent or purchase a three-bedroom unit without incurring a cost burden. The numbers that are bold italics (but not shaded) indicate that a family could not afford to purchase a three-bedroom unit without incurring a cost burden.

Looking at the previous table for the monthly severe cost burden category (50 percent), in Billings, only the "low-income" category (51-80% of median family income) could

³⁸ HUD's 30% calculation has become standard practice. Many lenders prefer a ratio of 30% or less of income to principal, interest, insurance (property and mortgage) and taxes.

³⁹ Refer to Tables III.20, III-21, and III.22 in the *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, December 2004.

afford to purchase a three-bedroom home. The “very low-income” category (31-50% of median family income) could not afford to purchase adequate housing and the “30% of median family income” category (extremely low-income) could not afford to rent or purchase adequate housing without incurring a cost burden. These same types of comparisons can be made for other home sizes and areas.

A special tabulation of Census 2000 data, typically referred to as the “CHAS Data”⁴⁰, tabulates the percentage of households by county that have a cost burden, the percentage of households that have a severe cost burden, and the percentage of households that have any housing problem. See the table on page 35 for a summary of the data. (Additional tabulations by household type for each county are contained in the appendix to Volume III of the *Economic and Demographic Analysis*⁴¹.) Maps showing cost burden and severe cost burden for renter households and owner households can be found in Appendix D, starting on page D-10.

⁴⁰ “CHAS” refers to the Comprehensive Housing Affordability Strategy, which is part of the National Affordability Housing Act of 1991.

⁴¹ *Economic and Demographic Analysis of Montana*, Volume III Appendix-Housing Data, December 2004

Montana Housing Problems - All Households

Household by Type, Income, & Housing Problem	Renters					Owners					Total Households
	Elderly (1 & 2 member households)	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Renter Households	Elderly (1 & 2 member households)	Small Related (2 to 4)	Large Related (5 or more)	All Other Households	Total Owner Households	
Household Income <=80% MF	13,852	23,332	5,535	29,066	71,785	32,286	26,182	7,422	14,520	80,410	152,195
Household Income <=50% MFI	9,965	13,975	3,110	18,844	45,894	16,533	10,954	2,894	7,836	38,217	84,111
Household Income <=30% MFI	4,938	7,210	1,480	10,265	23,893	5,938	4,655	1,065	3,998	15,656	39,549
% with any housing problems	57.1%	74.2%	80.7%	75.6%	71.7%	71.6%	75.8%	83.1%	75.5%	74.6%	72.8%
% Cost Burden >30%	54.4%	71.4%	62.5%	73.9%	68.4%	70.5%	73.6%	70.0%	72.9%	72.0%	69.8%
% Cost Burden >50%	37.1%	54.9%	42.9%	60.2%	52.7%	44.4%	60.5%	56.3%	58.7%	53.6%	53.1%
Household Income 30% - 50% MFI	5,027	6,765	1,630	8,579	22,001	10,595	6,299	1,829	3,838	22,561	44,562
% with any housing problems	52.4%	62.9%	74.5%	67.3%	63.1%	37.8%	66.4%	76.8%	63.5%	53.3%	58.1%
% Cost Burden >30%	50.4%	58.3%	44.5%	64.7%	58.0%	37.1%	63.9%	62.5%	61.3%	50.8%	54.3%
% Cost Burden >50%	15.8%	14.7%	11.0%	18.1%	16.0%	15.8%	40.1%	30.6%	36.8%	27.3%	21.7%
Household Income 50% - 80% MFI	3,887	9,357	2,425	10,222	25,891	15,753	15,228	4,528	6,684	42,193	68,084
% with any housing problems	33.9%	28.3%	44.5%	27.8%	30.4%	22.0%	50.1%	56.1%	49.7%	40.2%	36.5%
% Cost Burden >30%	33.1%	20.8%	15.3%	24.2%	23.4%	21.2%	47.8%	40.4%	48.3%	37.1%	31.9%
% Cost Burden >50%	8.0%	1.1%	1.2%	1.9%	2.4%	7.5%	16.2%	10.2%	17.7%	12.6%	8.7%
Household Income >80% MFI	4,798	16,862	2,695	14,715	39,070	37,578	94,835	15,413	19,494	167,320	206,390
% with any housing problems	12.0%	5.9%	26.0%	5.3%	7.8%	7.8%	12.4%	18.9%	19.2%	12.8%	11.8%
% Cost Burden >30%	9.0%	1.6%	1.3%	2.6%	2.9%	7.3%	11.3%	9.8%	17.8%	11.0%	9.5%
% Cost Burden >50%	4.8%	0.0%	0.0%	0.1%	0.6%	1.4%	1.7%	0.9%	2.5%	1.6%	1.4%
Total Households	18,650	40,194	8,230	43,781	110,855	69,864	121,017	22,835	34,014	247,730	358,585
% with any housing problems	39.4%	33.0%	50.9%	39.2%	37.8%	21.0%	22.4%	33.9%	36.8%	25.0%	29.0%
% Cost Burden >30%	37.2%	28.1%	25.0%	36.5%	32.7%	20.3%	21.0%	22.9%	35.2%	22.9%	26.0%
% Cost Burden >50%	17.0%	12.6%	10.3%	18.1%	15.3%	8.6%	7.8%	7.7%	15.9%	9.1%	11.0%

Source of Data: CHAS Data Book
Data Current as of: 2000

6. Ethnic and Racial Groups with Disproportionate Needs

HUD regulations for the Consolidated Plan define the existence of a disproportionate unmet housing need among racial or ethnic groups. This occurs when a particular group is experiencing housing needs that is at least 10 percent higher than the percentage of all households in the category. To determine disproportionate unmet housing needs, HUD developed data in conjunction with the U.S. Census Bureau, using the 2000 Census. This data known as CHAS data, allows unmet housing needs to be evaluated based on household race and ethnicity in combination with household income. This enables determinations to be made as to whether or not the unmet housing need is greater among households of different racial or ethnic groups with the same income.

Housing indicators by tenure, renter or owner, are also used to consider disproportionate unmet housing needs in Montana, including overcrowding, a lack of complete plumbing and kitchen facilities, and cost burden. Unfortunately, the CHAS data only provides numbers for “any housing problems” by race or ethnic group; it does not provide a breakdown of what the specific housing problems are: overcrowding, lack of complete facilities, and cost burden.

Housing problems by race and ethnic background vary across the state. (See the table on page 38.) Excluding the entitlement areas of Billings, Great Falls, and Missoula, 29.8 percent (269,663) of total renter and owner households in the state, across all income levels, reported some type of housing problem. Using the HUD standard of a 10 percent difference for disproportionate housing need, none of the racial/ethnic groups experienced disproportionate housing need. When broken down by income level, two racial/ethnic household categories, Asian and Pacific Islander, experienced disproportionate housing need:

- At incomes less than 30% of AMI, 81.7 percent (164 households) of Asian households, compared to 70.7 percent (30,657 households) of total households at less than 30% of AMI.
- At incomes 30% to 50% of AMI, 100 percent (18) of Pacific Islander households, compared to 56.1 percent (34,358) of total households at 30% to 50% of AMI.
- At incomes less than 50% to 80% of AMI, 60 percent (20) of Pacific Islander households, compared to 36.9 percent (54,459) of total households at 50% to 80% of AMI.

Owner Households

When broken down by tenure, 27.6 percent (193,448) of owner households, across all income levels, reported some type of housing problem. Using the HUD standard, one of the racial/ethnic groups experienced disproportionate housing need: 38.5 percent (52 households) of Pacific Islander households experienced disproportionate housing need. When broken down by income level, four racial/ethnic household categories, Black, Asian, Pacific Islander, and Hispanic, experienced disproportionate housing need:

- At incomes less than 30% of AMI, 100 percent (36 households) of Asian households experienced disproportionate needs, compared to 73.7 percent (14,788 households) of total owner households at less than 30% of AMI.
- At incomes 30% to 50% of AMI, 100 percent (4) of Black and 100 percent (4) of Pacific Islander households experienced disproportionate needs, compared to 54.4 percent (19,392) of total owner households at 30% to 50% of AMI.
- At incomes less than 50% to 80% of AMI, 80 percent (20) of Black, 75 percent (16) of Pacific Islander, and 51.2 percent (328) of Hispanic households experienced disproportionate needs, compared to 40.7 percent (34,604) of total owner households at 50% to 80% of AMI.
- At incomes greater than 80% of AMI, 19.9 percent (1,553) of Native American households experienced disproportionate needs, compared to 7.9 percent (27,525) of owner total households at 80% of AMI.

Renter Households

For renter households across all income levels, 35.3 percent (76,215) reported some type of housing problem. Using the HUD standard, one of the racial/ethnic groups experienced disproportionate housing need: 49.7 percent (338 households) of Asian households. When broken down by income level, five racial/ethnic household categories, Black, Native American, Asian, Pacific Islander, and Hispanic, experienced disproportionate housing need:

- At incomes less than 30% of AMI, 81 percent (42 households) of Black households experienced disproportionate needs, compared to 67.9 percent (15,869 households) of total households at less than 30% of AMI.
- At incomes 30% to 50% of AMI, 68.6 percent (70) of Asian and 100 percent (14) of Pacific Islander households experienced disproportionate needs, compared to 58.2 percent (14,966) of total households at 30% to 50% of AMI.
- At incomes less than 50% to 80% of AMI, 54.2 percent (48) of Black, households experienced disproportionate needs, compared to 29.5 percent (17,855) of total households at 50% to 80% of AMI.
- At incomes greater than 80% of AMI, 19.9 percent (1,553) of Native American and 15.7 percent (470) Hispanic households experienced disproportionate needs, compared to 7.9 percent (27,525) of total households at 80% of AMI.

Except for the Native Americans, minority populations in Montana are extremely small. Nonetheless, a more detailed analysis of Census 2000 data will be conducted within the next plan year to provide a more precise breakdown of the type of housing problem is being experienced by race and ethnic background, by county.

Montana State Program
(excludes Billings, Great Falls, & Missoula)

Household by Type, Income, & Housing Problem	All Households	White Non-Hispanic	Black Non-Hispanic	Native Amer. Non-Hispanic	Asian Non-Hispanic	Pacific Islander Non-Hispanic	Hispanic Households
Renter Households							
1. Household Income <=50% MFI	30,835	24,941	84	3,478	198	18	584
2. Household Income <=30% MFI % with any housing problems	15,869 67.9%	12,470 67.8%	42 81.0%	2,222 65.3%	128 76.6%	4 0.0%	280 56.4%
3. Household Income >30% to <=50% MFI % with any housing problems	14,966 58.2%	12,471 58.3%	42 42.9%	1,256 49.4%	70 68.6%	14 100.0%	304 59.2%
4. Household Income >50 to <=80% MFI % with any housing problems	17,855 29.5%	15,544 28.8%	48 54.2%	1,247 33.8%	40 35.0%	4 0.0%	290 31.7%
5. Household Income >80% MFI % with any housing problems	27,525 7.9%	24,638 6.6%	84 9.5%	1,553 19.9%	100 8.0%	28 0.0%	470 15.7%
6. Total Households % with any housing problems	76,215 35.3%	65,123 33.5%	216 39.8%	6,278 44.6%	338 49.7%	50 28.0%	1,344 37.5%
Owner Households							
1. Household Income <=50% MFI	34,180	28,281	20	2,186	76	4	354
2. Household Income <=30% MFI % with any housing problems	14,788 73.7%	11,789 72.4%	16 75.0%	1,104 74.6%	36 100.0%	0 0.0%	152 77.6%
3. Household Income >30% to <=50% MFI % with any housing problems	19,392 54.4%	16,492 52.6%	4 100.0%	1,082 45.5%	40 50.0%	4 100.0%	202 60.4%
4. Household Income >50 to <=80% MFI % with any housing problems	34,604 40.7%	30,933 39.8%	20 80.0%	1,496 39.6%	68 23.5%	16 75.0%	328 51.2%
5. Household Income >80% MFI % with any housing problems	124,664 14.3%	116,998 13.6%	96 16.7%	3,828 16.9%	312 14.1%	32 12.5%	1,020 17.5%
6. Total Households % with any housing problems	193,448 27.6%	176,212 25.8%	136 35.3%	7,510 34.0%	456 25.4%	52 38.5%	1,702 34.4%
Total Renter and Owner Households							
1. Household Income <=50% MFI	65,015	53,222	104	5,664	274	22	938
2. Household Income <=30% MFI % with any housing problems	30,657 70.7%	24,259 70.0%	58 79.3%	3,326 68.4%	164 81.7%	4 0.0%	432 63.9%
3. Household Income >30% to <=50% MFI % with any housing problems	34,358 56.1%	28,963 55.1%	46 47.8%	2,338 47.6%	110 61.8%	18 100.0%	506 59.7%
4. Household Income >50 to <=80% MFI % with any housing problems	52,459 36.9%	46,477 36.1%	68 61.8%	2,743 37.0%	108 27.8%	20 60.0%	618 42.1%
5. Household Income >80% MFI % with any housing problems	152,189 13.1%	141,636 12.4%	180 13.3%	5,381 17.8%	412 12.6%	60 6.7%	1,490 16.9%
6. Total Households % with any housing problems	269,663 29.8%	241,335 27.9%	352 38.1%	13,788 38.9%	794 35.8%	102 33.3%	3,046 35.8%

B. PRIORITY HOUSING NEEDS [91.315(b)]

1. Montana Housing Needs Assessment - Telephone Survey ⁴²

As part of the Montana Housing Needs Assessment, a telephone survey was designed to gather community input into the perceived degree of various housing needs. This community input is critical as local conditions can play an important role in defining and ranking needs.

In June, July and August of 2004, one to three telephone calls were made to a total of 349 organizations, and from these calls, 179 surveys were completed (51% response rate). These community organizations have roles in providing or consuming housing and housing related services throughout the state. Organizations surveyed included realtors, property managers, public housing authorities, human resource development councils, and social service agencies serving the elderly, disabled, special needs, low-income and other at-risk populations. A table of the organizations surveyed and a copy of the survey instrument are included in the appendix to the *Montana Housing Needs Assessment*.

The survey questions addressed the following housing needs: affordability, supply, quality, accessibility, size, and location. The degree of need was asked for as it relates to renters and homeowners by income range. Additional questions were asked about racial minorities, the elderly, and families with disabilities.

Perceived need by income range was based upon HUD-adjusted MFI levels consistent with the Census 2000 CHAS data presented in the household forecast. HUD 2004 median family income for Montana was estimated to be \$47,500. This figure was translated into the following income categories:

<u>MFI Range</u>	<u>Description</u>	<u>Approximate Monthly Income</u>
0%-30%	Extremely low-income	Below \$1,200
31%-50%	Very low-income	Above \$1,200 but less than \$2,000
51%-80%	Low-income	Above \$2,000 but less than \$3,200

Respondents were asked to rank the various housing issues in terms of their effect on a particular type of household using a scale from 1 to 5:

1. no impact/no need
2. slight impact/slight need
3. moderate impact/moderate need
4. significant impact/significant need
5. severe impact/severe need

⁴² *Montana Housing Needs Assessment*, Center for Applied Economic Research, Montana State University-Billings, December 2004.

Responses for each question from the survey were tabulated, with the average value for each question representing the perceived degree of need. Below are the tabulated responses for all 179 respondents throughout the state. Perceived need greater than or equal to 4.0 (significant to severe need) is presented in ***bold italic*** print.

Results of Housing Needs Survey						
Renter Households						
Households with:	Affordability	Supply	Quality	Accessibility	Size	Location
0-30% MFI	<i>4.5</i>	<i>4.5</i>	<i>4.1</i>	3.9	3.8	3.6
31%-50% MFI	3.5	<i>4.0</i>	3.7	3.7	3.5	3.3
51%-80% MFI	2.6	3.2	3.0	2.9	2.9	2.8
Elderly member	<i>4.4</i>	<i>4.1</i>	3.8	3.9	3.4	3.5
Disabled member	<i>4.3</i>	<i>4.3</i>	3.9	<i>4.2</i>	3.8	3.7
Native American member	3.8	3.7	3.4	3.4	3.4	3.2
African-American member	3.4	3.5	3.4	3.3	3.3	3.2
Asian member	3.3	3.7	3.3	3.2	3.2	3.2
OVERALL	<i>4.4</i>	<i>4.4</i>	<i>4.2</i>	3.8	3.7	3.4
Owner Households						
Households with:	Affordability	Supply	Quality	Accessibility	Size	Location
0-30% MFI	<i>4.7</i>	<i>4.6</i>	<i>4.3</i>	<i>4.2</i>	<i>4.1</i>	3.9
31%-50% MFI	<i>4.0</i>	<i>4.1</i>	3.8	3.7	3.7	3.5
51%-80% MFI	3.1	3.3	3.2	3.1	3.1	3.1
Special population member	<i>4.3</i>	<i>4.2</i>	3.9	<i>4.2</i>	3.8	3.8
OVERALL	3.9	3.9	3.8	3.5	3.6	3.4

Consistent with the survey conducted in 2000⁴³, the results of this survey indicate that affordable housing and the supply of housing, two issues that are highly interrelated, are both significantly to severely in need. The perceived need in these areas is higher for extremely low-income households (0%-30% MFI), and for households with an elderly or disabled/special population member. This highlights the incidence of an extreme cost burden (50% or more of monthly income being spent on housing costs) or a cost burden (30% or more of monthly income being spent on housing costs) among these household types.

For extremely low-income (0%-30% MFI) owner households, quality, accessibility, and size are also significant needs. These households may not be able to purchase a home at the present time, but may have been able to at some earlier time. If so, these households are more likely to be at risk of experiencing significant deferred maintenance on their home due to lack of funds to pay for needed repairs and maintenance, or losing their home if the household were to experience an unexpected financial difficulty, such as illness or loss of employment.

Not surprisingly, for disabled and special needs households, accessibility was identified as a significant need.

⁴³ *Montana Housing Needs Assessment*, Western Economic Services, LLC, November 2000.

2. Montana Housing Priority Needs Summary Table

The Consolidated Plan regulation requires a priority needs summary table to rank the housing needs for each household type as high, medium, or low. Generally, it was inferred from the household forecast discussed in part A, Housing Needs, and the telephone survey conducted for the *Montana Housing Needs Assessment*⁴⁴ that all degrees of housing needs in the state were either medium or high priority. These priority levels, as set by the Consolidated Plan Steering Committee, will remain the same for the five-year plan period.

Montana Housing Priority Needs Summary Table 2005 – 2010 ⁴⁵					
Household Type		MFI Range	Priority Level	Census 2000 Households	2010 Households
Renters	Small Related	0% - 30%	H	7,210	7,716
		31% - 50%	M	6,765	7,240
		51% - 80%	M	9,357	10,014
	Large Related	0% - 30%	H	1,480	1,584
		31% - 50%	M	1,630	1,744
		51% - 80%	M	2,425	2,595
	Elderly	0% - 30%	H	4,938	5,496
		31% - 50%	M	5,027	5,595
		51% - 80%	M	3,887	4,326
	All Other	0% - 30%	H	10,265	10,775
		31% - 50%	M	8,579	8,966
		51% - 80%	M	10,222	10,773
Owners	0% - 30%	H	15,656	16,755	
	31% - 50%	M	22,561	24,145	
	51% - 80%	M	42,193	45,155	
Special Populations	0% - 30%	H	11,823	12,648	
	31% - 50%	M	12,047	12,887	
	51% - 80%	M	13,988	14,974	
Total Goals	The Montana Department of Commerce is not able to estimate the number of households that will be assisted throughout the state during the planning period.				
Total Households	0% - 80%	N/A	152,195	162,878	
Total Households	All income levels	N/A	358,585	383,754	

⁴⁴ *Montana Housing Needs Assessment*, Center for Applied Economic Research, Montana State University-Billings, December 2004.

⁴⁵ The State has determined these priorities based on households, not housing activity, at the statewide level. It is up to each locality, through more detailed local analyses, studies and needs assessments, to determine its own area(s) of highest need. The state reserves the right to make a determination of local need based on local analyses, studies and needs assessments, which may override the state's priority level.

Total household formation is forecasted to rise modestly, at an average of less than 1 percent per year, reaching approximately 384,000 households in 2010. Of these households, 31 percent are estimated to be renter households and 69 percent are estimated to be owner households.

The elderly and special needs populations are forecasted to rise at a higher rate, at an average of 1.74 percent per year, reaching over 98,000 elderly households and over 70,000 special needs households by 2010. This growth reflects Montana's aging population, and the increase in mobility and self-care limitations (special needs) as the population ages.

In 2010, 42 percent of Montana's total households are estimated to be in the low-income categories (0%-80% MFI), while 52 percent of elderly households and 57.5 percent of special needs households are estimated to be in the low-income categories. The growth in lower-income, elderly, and special needs households will continue to draw heavily upon Montana's available housing resources.

The results of the housing needs survey indicate that affordable housing and the supply of housing, two issues that are highly interrelated, are both significantly to severely in need. The perceived need in these areas is higher for extremely low-income households (0%-30% MFI), and for households with an elderly or disabled/special population member.

For extremely low-income (0%-30% MFI) owner households, quality, accessibility, and size were also identified as significant needs. These households are facing issues with deferred maintenance and are at-risk for losing their home if unforeseen financial difficulties arise.

Accessibility continues to be a significant issue for elderly and special needs households, in addition to affordability and supply. The higher growth rate in these households will particularly place pressure on the available housing needs in Montana.

C. HOUSING MARKET ANALYSIS [91.310]

The market and inventory of Montana's housing can be described by addressing it in terms of supply, demand, condition, and cost.

1. General Market and Inventory

According to Census 2000, there were 102.3 million housing units in the United States, with 412,633 of these units located in Montana. A housing unit is defined as a house, an apartment, a mobile home, a group of rooms, or a single room, intended for occupancy as separate living quarters. Occupants live separately from any other people in the building and have direct access from outside the building or through a common hallway.

The largest increase in housing units from 1990 to 2000 was in the 1-unit attached category (townhouse or duplex with one common wall), although 1-unit detached homes (single-family, mobile, or modular home) still represented over two-thirds, or 67 percent of the total housing units in the state. Although housing units lacking either complete plumbing or kitchen facilities decreased significantly, units with more than 1.5 occupants per room (defined as extreme overcrowding) increased 49.3 percent, or by 1,214 units from 1990 to 2000.

Housing units are described as lacking complete plumbing facilities if any one of these three items is not present: (1) hot and cold piped water, (2) a flushing toilet, and (3) a bathtub or shower. Housing units are described as lacking complete kitchen facilities if any one of these three items is not present: (1) a sink with piped water, (2) a range or a stove, and (3) a refrigerator.

Housing units from Census 1990 and 2000 are summarized below. These units represent permanent housing, and the "other" category includes boats, RV's, and vans that are used by households as their permanent home.

Summary Housing Characteristics for Montana U.S. Census Bureau				
	1990	2000	1990-2000 % Change	% of Total Units (in 2000)
Total Housing Units	361,155	412,633	14.3%	100.00%
Units in Structure				
1-unit detached	237,533	276,433	16.4%	67.0%
1-unit attached	8,432	11,044	31.0%	2.7%
2-4 units	29,327	32,776	11.8%	7.9%
5-9 units	10,376	11,854	14.2%	2.9%
10+ units	16,931	20,288	19.8%	4.9%
Mobile home	54,046	58,957	9.1%	14.3%
Other	4,510	1,281	-71.6%	0.3%
Occupants per Room				
Occupied housing units	306,163	358,667	17.1%	86.9%
1.00 occupant or less	297,277	347,425	16.9%	84.2%
1.01 to 1.50 occupants	6,424	7,566	17.8%	1.8%
1.51 + occupants	2,462	3,676	49.3%	0.9%
Lacking Facilities				
Lack complete plumbing	7,011	2,776	-60.4%	0.7%
Lack complete kitchen	6,517	3,775	-42.1%	0.9%

The Census Bureau also estimates housing units annually, using the most recent census figures as their base. Total housing units in Montana increased by 1.7 percent, or 7,093 units from 2000 to 2003. The increase from 2002 to 2003 (2,620 units) was 50 percent greater than the increase from 2001 to 2002 (1,744 units). These figures are consistent with the increase in housing permits presented in Volume III of the *Economic and Demographic Analysis of Montana*.⁴⁶

⁴⁶ *Economic and Demographic Analysis of Montana*, Volume III, Center for Applied Economic Research, Montana State University-Billings, December 2004

Forty of Montana's counties had decreases in total units from 2000 to 2003 (1.1 percent or less), while 16 counties showed an increase in total units. Four counties had increases over two percent: Flathead (2.6 percent), Yellowstone (3.2 percent), Missoula (5.3 percent), and Gallatin (6.8 percent).

2. Condition

As previously discussed in section A of this part (Housing Needs), the MDOC prepared the *Montana Housing Condition Study*⁴⁷ to evaluate the current housing stock in the state. Data regarding the physical characteristics and residential improvements of all residential property was extracted from the Computer Assisted Mass Appraisal System (CAMAS) database maintained by the Montana Department of Revenue (MDOR). The MDOR collects different information on commercial property, including commercial dwellings. While there is some focus on describing the property and its attributes (type of structure, number of bedrooms, number of bathrooms, construction grade, and physical condition), a greater emphasis is placed on determining the income derived from the property to determine assessed value. Commercial dwellings are all considered rental properties.

Of all property classified as residential by the MDOR CAMAS database, 78 percent is single-family, 19 percent is mobile homes and 3 percent is condominiums.

Montana's housing stock can be described as being predominantly frame construction, with wood, amazonite, aluminum, vinyl or steel siding and asphalt single roofs, and comprised of relatively conservative architectural styles such as conventional, and ranch. Nearly all single-family homes, but few mobile homes, have a reinforced concrete foundation. Over one-half of single-family homes have a full or partial basement.

The market for newly constructed homes shows a trend toward larger living spaces, with three-bedroom, three-bath homes accounting for almost one-half of homes constructed since 1990.

While over 75 percent of the residential housing stock is in average to excellent condition, there are over 97,000 dwellings that are in serious need of maintenance and overhaul. Over 45 percent of dwellings were constructed with below average materials and workmanship, which can result in future higher maintenance costs. Overall, the effective age is older than the actual (chronological) age, indicating that the housing stock is in worse than average conditions.

Property classified as commercial by the MDOR CAMAS database includes single-family homes, duplexes, triplexes, fourplexes, apartment buildings, townhouses, row houses, condominiums, and mixed use structures. These structures are classified as commercial as they are considered rental properties.

⁴⁷ *Montana Housing Condition Study*, Center for Applied Economic Research, Montana State University-Billings, February 2005.

The pace of construction of commercial structures use for residential purposes has increased in recent years, and is approaching the annual level seen during the 1990's.

Over 80 percent of commercial dwelling units have one or two bedrooms and one bathroom, and were constructed with average or above-average materials and workmanship. However, almost 6,500 units, or 14 percent of total units, are either unsound or in need of improvements.

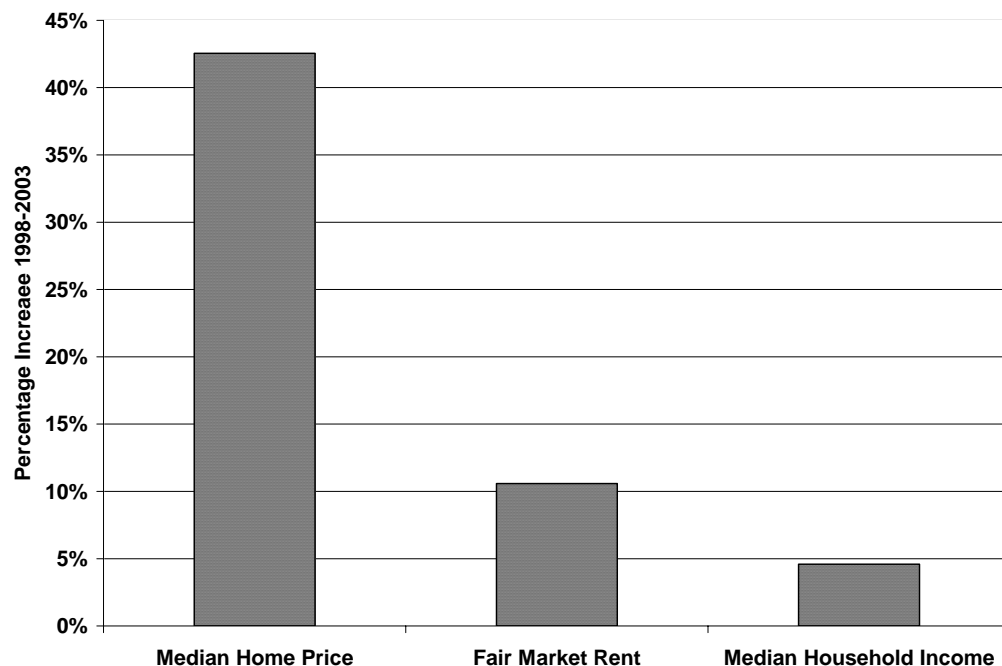
Data presented in the study is at the state level; however, data for each county and selected municipalities is available and can be obtained by contacting the MDOC HOME program at (406) 841-2820, or downloaded from the Consolidated Plan website:

http://housing.state.mt.us/Hous_CP_Apps.asp

3. Cost of Housing

Affordability and attainability continue to be a concern for many households in Montana, not just low-income families. Attainability considers whether a household is willing to pay up to 30 percent or more of its income for housing, and whether a household is able to obtain a 10 percent down payment or a rental deposit. The following chart compares the increase in the existing median housing price⁴⁸ to the increase in fair market rent⁴⁹ and finally the increase in median household income⁵⁰.

**Percent Increase in Housing Price and Rental Rates versus Income in Montana
1998-2003**



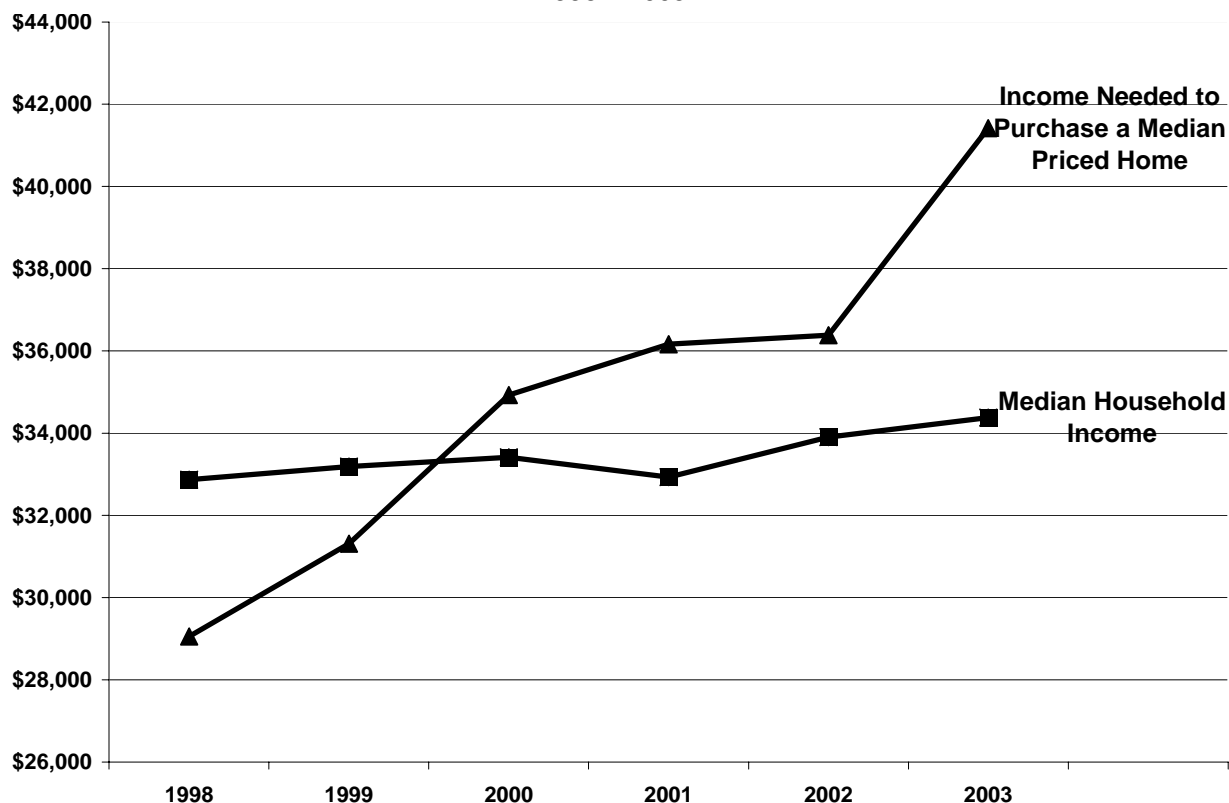
⁴⁸ From Montana Board of Housing annual "Price of Housing in Montana" report.

⁴⁹ HUD annual estimate; represents the amount where 60% of rents are above and 40% of rents are below for standard quality rental housing; includes utilities.

Clearly, the median home price, and to a lesser degree, fair market rent, have increased much more than median household income, bringing attainability into question. The median home price has increased 43 percent from 1998 to 2003; the fair market rent has increased 11 percent, and median household income has increased 5 percent.

The income required to purchase a home has been calculated using the existing median home price⁵¹, the average interest rate (6.40 percent), closing costs (3.08 percent of purchase price), property taxes (.0121 per \$1 of value), insurance costs (.0067 per \$1 of value for homeowners insurance and .0065 per \$1 of value for PMI)⁵². Utility costs are not included for this analysis. The income required assumes a 10 percent down payment and 30 percent ratio of income to principal, interest, insurance, and taxes. The down payment percentage and interest rate can change this calculation significantly. While interest rates have been historically low in the recent past, this has not always been the case. The lower interest rates have made homes more attainable for Montanans. Many loans allow a borrower to put down significantly less than 10 percent; however, 10 percent is used for this calculation. Median household income is compared to the income required to purchase a home in the chart below.

**Annual Cost of a Median Priced Home versus Median Household Income
1998 – 2003**



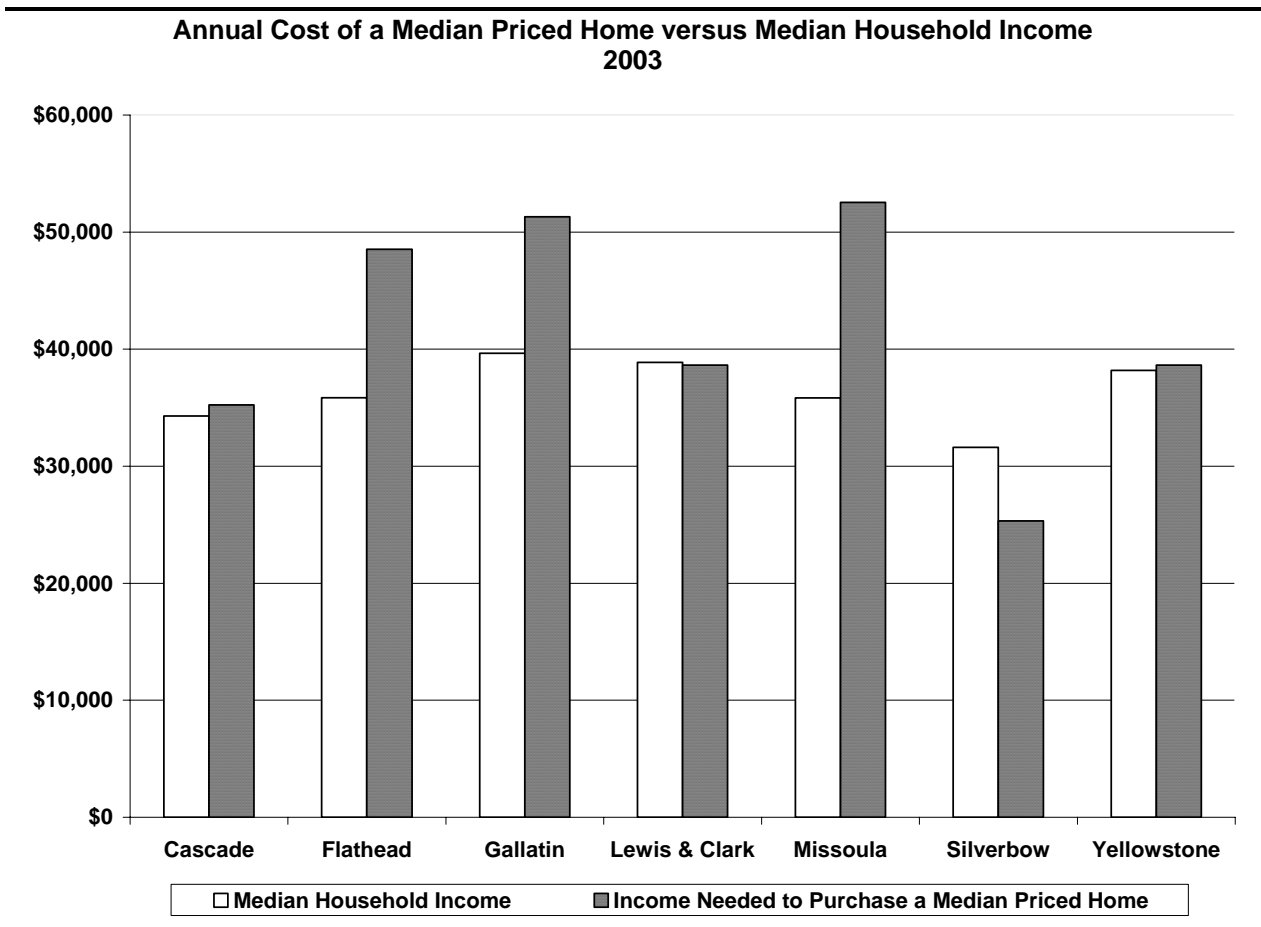
⁵⁰ Three year average median income from the U.S. Census Bureau.

⁵¹ *Economic and Demographic Analysis of Montana*, Volume II, Demographic Analysis, Center for Applied Economic Research, Montana State University-Billings, December 2004..

⁵² Per survey of bankers and insurance agents conducted in July 2004.

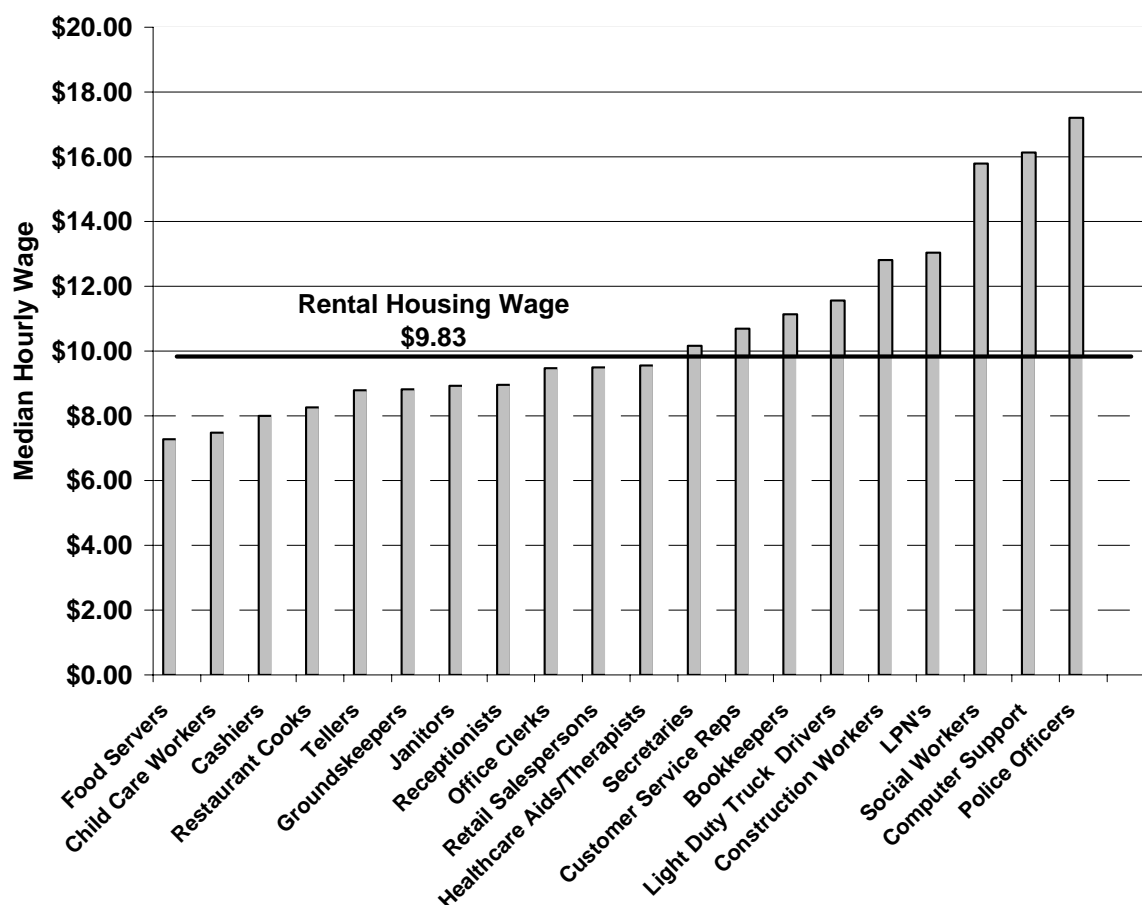
While the income required to purchase a home was almost \$5,000 less than the median household income in 1998, required income has risen at a much faster rate than median household income, and has surpassed median household income since 2000.

The following chart compares the median income required to purchase a home to the median household income from the Census Bureau in selected counties around the state. The assumptions used for these calculations are the same as the preceding calculations.



Renters face a similar challenge. The cost of a three-bedroom rental versus the wages of various occupations in Montana is compared in the chart on the next page.

**Housing Wage versus Median Wage of Selected Occupations
2003**



The rental housing wage is calculated based on renting a two-bedroom unit for \$511, including utilities.⁵³ Assuming a 52-week work year, a 40-hour workweek, and a ratio of 30 percent of income to rental costs, the hourly wage needed to afford a two-bedroom unit is \$9.83. Eleven out of the 20 occupations shown above earn an average hourly wage⁵⁴ less than the amount needed to afford rental housing.

Clearly, an opportunity exists to promote housing incentives to both median income and low-income households throughout the state of Montana.

D. BARRIERS TO AFFORDABLE HOUSING [91.310(d) and 91.315(f)]

The Consolidated Plan regulations require the state to explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing are affected by public policies. Such policies include tax policy affecting land and other

⁵³ See Table III.20 in Volume III of the *Economic and Demographic Analysis of Montana*, Center for Applied Economic Research, Montana State University-Billings, December 2004.

⁵⁴ Average hourly wage for Montana from U.S. Bureau of Labor Statistics.

property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that effect the return on residential investment. Further, the state is required to remove or ameliorate negative effects of public policies that serve as barriers to affordable housing.

In Montana, the state government has very limited influence on land use controls. In particular, the state government cannot dictate the content of locally adopted land use regulations, such as local zoning and subdivision regulations; they are a matter of local control. While the state does mandate that local governments adopt subdivision regulations and sets out minimum requirements for their content, it does not dictate the standards to be included in the local regulations. Also, state law does not mandate that counties or municipalities adopt zoning. The authority to adopt local zoning is permissive; whether to adopt zoning and the requirement to be established is up to the local government.

It is the MDOC's view that regulatory barriers do not have a significant impact on affordable housing costs in Montana. Over seventy percent of the population growth that occurred in Montana between 1970 and 2000 occurred in unincorporated areas where there are few building code requirements. Furthermore, the state has very little control over local zoning decisions, impact fees, etc. In a state like Montana, with very distinct and diverse markets, there should remain a minimum of state-imposed laws, regulations, and ordinances. Many rural areas have no zoning ordinances, making it difficult for a state to remove or ameliorate negative effects so-called barriers where none exist. Requiring the state to come up with yearly goals for removing these barriers is unrealistic and serves little purpose.

E. SPECIFIC HOUSING OBJECTIVES [91.315(b)]

Housing needs vary widely across Montana. There is a broad array of housing availability, affordability, and suitability issues across the state. Extreme diversity in available housing, age of housing stock, and overall range in population density complicate assessments of degree and type of need. Resources are not adequate to address all housing needs and requirements throughout the state.

As a state agency administering housing programs, the MDOC does not prescribe to local governments and CHDOs the priority needs within their communities because the needs identified and prioritized at the state level may not retain a similar priority rating for implementation at local levels. All needs in Montana are great. The statewide priority need levels described in the Housing Priority Needs Table represent only a general indication of needs throughout Montana.

Faced with the overwhelming demand for affordable housing, the state will implement programs and deliver resources to in-need populations around Montana, in an attempt to continually minimize the state's housing needs. No single objective has the same priority in all of Montana's communities. Likewise, no single action can meet the specific

housing objectives of any given community. Nevertheless, the MDOC is committed to moving forward with the following housing objectives and actions.

1. Challenges and Obstacles to Meeting Underserved Needs

a. Diversity in Housing Issues Within the State of Montana

- Statewide, from 1990 to 2000, the total number of housing units increased by 14.3 percent (or by 51,478 units).
 - 19 counties saw decreases in the number of housing units, ranging from a loss of 0.3 percent in Petroleum County to a loss of 10.3 percent in Sheridan County;
 - 18 counties saw an increase in the total number of housing units of over 10 percent, ranging from an increase of 10.7 percent in Beaverhead County to 43.7 percent in Ravalli County; and
 - The remaining 19 counties saw an increase in their total housing units ranging from less than 1 percent up to 9.3 percent.
- Statewide, the number of occupied housing units grew by 17.1 percent.
 - 24 counties saw an increase in the number of occupied housing units in excess of 10 percent, ranging from a 10.6 percent increase in Golden Valley County to more than a 47 percent increase in Ravalli County;
 - In 16 counties, the number of occupied units decreased, ranging from a decrease of 1.6 percent in Deer Lodge County to a decrease of 8.4 percent in Sheridan County; and
 - The remaining 16 counties saw increases in the number of occupied units ranging from 0.5 percent to 9 percent.
- Statewide, the number of vacant units decreased 1.9 percent between 1990 and 2000.
 - The number of vacant units decreased in 31 counties, ranging from a decrease of 40.4 percent in Treasure County to 3.3 percent in Beaverhead County;
 - One county, Prairie, saw no change in the number of vacant units; and
 - The remaining counties saw increases in the number of vacant units from 0.1 percent in Granite County up to 52.3 percent in Wibaux County.
- Statewide, vacancy rates declined between 1990 and 2000, from a rate of 15.2 percent in 1990 down to 13.1 percent in 2000.
 - In 1990, vacancy rates varied from a low of 8 percent in Missoula County to a high of more than 45 percent in Granite County;

- In 2000, Yellowstone County still had the lowest vacancy rate at 4.5 percent and Valley County had the highest at 44.6 percent; and
- In 2000, three counties had vacancy rates of less than 8 percent; 16 had rates of 10 percent - 15 percent; 19 had rates of more than 15 percent but less than 20 percent; and 19 had rates in excess of 20 percent, with 3 having rates of more than 40 percent.

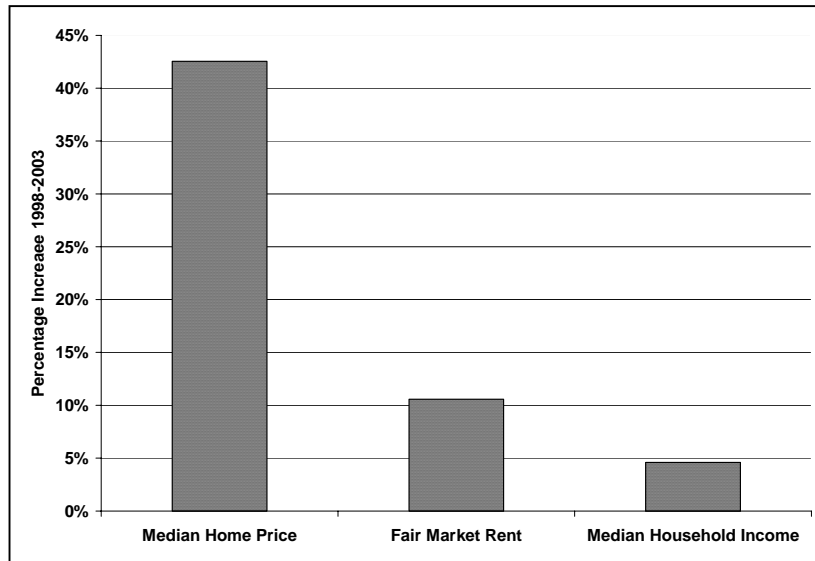
b. General Information on Rental and Owner-Occupied Housing

- As of March 2000, nearly one-half (47 percent) of Montana's housing units were 31 years old or older.
- Based on the number of houses in Montana that were built in or before 1979, it is estimated that there are nearly 285,500 units at risk of containing lead-based paint in Montana. Although this is approximately 69 percent of the housing units in the state, it is important to note that one cannot assume that all of these units contain lead-based paint and that the presence of lead-based paint alone does not indicate the extent of exposure hazards.
- Montana's residential housing stock is made up of 3.3 percent that is unsuitable for habitation (rated unsound or very poor), or 13,248 dwellings. Another 23,756 dwellings are in poor shape and 60,546 in fair shape. In total, over 97,000 dwellings (about 25 percent) are in serious need of maintenance and overhaul. (Montana Department of Revenue database)
- Of all property classified as residential in the Montana Department of Revenue database, 78 percent is single-family, 19 percent is mobile homes, and 3 percent is condominiums.
- Over 45 percent of dwellings were constructed with below average materials and workmanship, which can result in future higher maintenance costs⁵⁵.
- Overall, the effective age is older than the actual (chronological) age, indicating that the housing stock is in worse than average conditions⁵⁶.
- In 2010, 42 percent of Montana's total households are estimated to be in the low-income categories (0%-80% Median Family Income).
- The following chart compares the increase in the existing median housing price⁵⁷ to the increase in fair market rent⁵⁸ and finally the increase in median household income⁵⁹

⁵⁵ Montana Dept of Revenue database

⁵⁶ *Ibid.*

⁵⁷ From Montana Board of Housing annual "Price of Housing in Montana" report.



- The median home price, and to a lesser degree, fair market rent, have increased much more than median household income, demonstrating an increasing affordability gap. The median home price has increased 43 percent from 1998 to 2003; the fair market rent has increased 11 percent, and median household income has increased 5 percent.

2. Priority Housing Needs Objectives

➤ **Objective: Provide Homeownership Opportunities to Low- and Moderate-Income Households Throughout Montana**

▪ **Analysis:**

- Thirty-two percent of Montana homeowners are in the low-income categories (0%-80% MFI).
- The homeownership rate is 69.1 percent statewide (higher than national average).
- Housing costs as a percentage of household income were 22.2 percent for Montana⁶⁰. Although Montana's housing costs are below the national average in dollars (\$735 versus \$940), they are above the national average in terms of the percentage of monthly household income (22.2 percent versus 21.0 percent).

⁵⁸ HUD annual estimate; represents the amount where 60% of rents are above and 40% of rents are below for standard quality rental housing; includes utilities.

⁵⁹ Three year average median income from the U.S. Census Bureau.

⁶⁰ Census 2000.

- The increase in monthly housing costs as a percentage of household income increased from 20.2 percent in 1990 to 22.2 percent in 2000, which is three times the national increase. While this is in part due to larger homes being built, income is clearly not keeping up with increased housing costs. Affordability is definitely an issue in many counties around the state. The comparatively lower homeownership rates (under 65 percent) in two high-cost counties, Gallatin and Missoula, also point to an affordability issue.
- Income required to purchase a home was nearly \$42,000 in 2003 while median household income was a little more than \$34,000.
- Statewide cost burdens:
 - Owner households at 30% or less of AMI: 72.0 percent pay more than 30 percent of income for housing costs and 53.6 percent pay more than 50 percent of income for housing costs;
 - Owner households at 30% - 50% of AMI: 53.3 percent pay more than 30 percent of income for housing costs and 50.8 percent pay more than 50 percent of income for housing costs;
 - Owner households at 50% - 80% of AMI: 37.1 percent pay more than 30 percent of income for housing costs and 12.6 percent pay more than 50 percent of income for housing costs;
 - Owner households at 80% or more of AMI: 11.0 percent pay more than 30 percent of income for housing costs and 1.6 percent pay more than 50 percent of income for housing costs.
- **Actions/Resources:**
 - The HOME Program will continue to make funds available for homebuyer programs throughout the state, assisting an estimated 50 homebuyers per year.
 - The MBOH anticipates that it will continue to make bond funds available to assist approximately 1,800 low- to moderate-income homebuyers each year with \$130 to \$160 million in low interest rate loans.
 - The MBOH anticipates that it will continue to operate the Mortgage Credit Certificate (MCC) program, which began operation in April 2003. During the first year, \$500,000 in credit authority assisted 23 eligible homebuyers and the MBOH anticipates this will continue to grow for each of the next five years.
 - The MBOH anticipates that it will continue to make funds available through the Single Family Recycled Mortgage Program to lower income persons and families who do not have the financial capabilities to purchase safe and sanitary housing through other single family programs. The MBOH expects to make approximately \$20 million available for financing to 190 very low-income families per year.

- The MBOH anticipates that it will continue to make funds available through the Disabled Accessible Affordable Home Ownership Program to provide architecturally accessible homes for persons with permanent disabilities and mobility impairments. The MBOH expects to finance 156 homes with nearly \$10 million in recycled mortgage funds over the five-year period.
- The HOME and CDBG programs will continue to make funding available for housing rehabilitation programs throughout the state, assisting an estimated 30 homeowner units per year.
- Continue to leverage HOME and CDBG funds with weatherization programs administered throughout the state.
- The HOME and CDBG programs will continue to require projects to conform to federal and state energy efficiency standards.
- The MBOH will continue to market the award-winning housing plan book, *Montana Housing Solutions: Designing for Comfort & Quality*, which contains several house plans designed to be affordable and energy efficient.
- The HOME program will continue to require homebuyer education classes for all homebuyers assisted with HOME funds as a condition of receiving the funds.
- The MBOH will continue to collaborate on obtaining funds for organizations that provide homebuyer training
- The MDOC will continue to explore creative means to deliver homebuyer training in rural areas. Increase the use of web casts and video conferencing for homebuyer education, especially in remote areas.
- The MDOC will increase awareness of and monitor the level of predatory lending practices by continuing to support legislation to reform the payday and title loan industry, including participating in the Montana Alliance for Responsible Finance and the Montana Financial Education Coalition.
- The MDOC will continue to support the Section 8 Homeownership Voucher program.
- The MBOH will coordinate with educational institutions to facilitate technical construction, weatherization, and home-improvement courses.
- The MDOC will continue support of private foundations committed to leveraging federal dollars for affordable housing throughout the state.
- The MDOC will continue to support programs such as the Montana House - Montana Made Homes program, a partnership between the MBOH, the Anaconda Job Corps, and private nonprofit housing providers around the state. The MBOH provides financing for vocational students to construct 960 square foot modular homes at the Anaconda Job Corps Center. These homes will then be sold to qualifying homebuyers around Montana. The homebuyers will work with a private, nonprofit housing provider in their area that will help

them identify a location for the home and prepare the site for delivery of the home. It is expected that the program, which began in September 2004, will construct four homes annually.

➤ **Objective: Improve the Quality and Availability of Affordable Rental Housing for Low- and Moderate-Income Households**

▪ **Analysis:**

- Sixty-five percent of Montana renters are in the low-income categories (0%-80% MFI).
- Almost 6,500 units, or 14 percent of the total units in commercial buildings classified as rental housing are either unsound or in need of improvements.
- The rental housing wage is calculated based on renting a two-bedroom unit for \$511, including utilities.⁶¹ Assuming a 52-week work year, a 40-hour workweek, and a ratio of 30 percent of income to rental costs, the hourly wage needed to afford a two-bedroom unit is \$9.83. Analysis of 20 occupations revealed that eleven out of the 20 earn an average hourly wage⁶² less than the amount needed to afford rental housing.
- Statewide cost burdens:
 - Renter households statewide at 30% or less of AMI: 68.4 percent pay more than 30 percent of income for housing costs and 52.7 percent pay more than 50 percent of income for housing costs;
 - Renter households statewide at 30% - 50% of AMI: 63.1 percent pay more than 30 percent of income for housing costs and 58.0 percent pay more than 50 percent of income for housing costs;
 - Renter households statewide at 50% - 80% of AMI: 23.4 percent pay more than 30 percent of income for housing costs and 2.4 percent pay more than 50 percent of income for housing costs;
 - Renter households statewide at 80% or more of AMI: only 2.9 percent pay more than 30 percent of income for housing costs and 0.6 percent pay more than 50 percent of income for housing costs.

▪ **Actions/Resources:**

- Utilize HOME funds to rehabilitate existing and construct new rental housing. Estimate 25 new units and 30 rehabilitated units per year.
- Preserve rental units subject to expiring HUD or 515 Rural Development contracts to ensure these units continue to remain viable, affordable units.

⁶¹ See Table III.20 in Volume III of the *Economic and Demographic Analysis of Montana*, Center for Applied Economic Research, Montana State University-Billings, December 2004.

⁶² Average hourly wage for Montana from U.S. Bureau of Labor Statistics.

- Utilize the LIHTC program to construct or preserve an estimated 250 units of rental housing per year. Annual authority is estimated at \$2,125,000 plus any inflation factor the IRS may calculate, which provides an equity infusion of approximately \$15 million per year for production of affordable housing.
- Continue to support the Section 8 housing choice voucher program, which provides essential rental subsidy to very low and low-income Montanans.
- The MBOH will continue to offer permanent mortgage financing for affordable rental housing in partnership with HUD's Risk Sharing Program, which provides mortgage loan insurance.
- The MBOH will continue to offer permanent mortgage financing through its General Obligation Program, which issues tax-exempt bonds to finance projects that do not have mortgage insurance.
- The MDOC will continue support the Mountain Plains Equity Group, Inc. (MPEG). The MBOH joined with the North Dakota Housing Finance Agency and the Wyoming Community Development Authority to form the MPEG. The purpose of the investment group is to support the development of affordable multi-family housing in communities throughout the tri-state area. Smaller projects, particularly in rural communities, can be expensive and difficult for housing authorities, nonprofit entities, and other developers to put together. MPEG is expected to ease the development of multi-family housing. MPEG is structured as a nonprofit corporation to make investments in LIHTC projects and potentially historic tax credit projects.

➤ **Objective: Provide Housing Options for the Elderly and Special Needs Populations⁶³**

▪ **Analysis:**

- Fifty percent of Montana's elderly households are in the low-income categories.
- Montana's elderly homeownership rate is 78.9 percent (overall homeownership rate is 69.1 percent statewide).
- Statewide cost burdens for elderly homeowners:
 - Elderly owner households at 30% or less of AMI: 70.5 percent pay more than 30 percent of income for housing costs and 44.4 percent pay more than 50 percent of income for housing costs;
 - Elderly owner households at 30% - 50% of AMI: 37.1 percent pay more than 30 percent of income for housing costs and 15.8 percent pay more than 50 percent of income for housing costs;

⁶³ HUD defines special needs households as a household where one or more persons have mobility impairments or disabilities, i.e., mental, physical, developmental, persons with HIV/AIDS; or with alcohol or other drug addiction that may require housing with supportive services

- Elderly owner households at 50% - 80% of AMI: 21.2 percent pay more than 30 percent of income for housing costs and 7.5 percent pay more than 50 percent of income for housing costs;
- Elderly owner households at 80% or more of AMI: 7.3 percent pay more than 30 percent of income for housing costs and 1.4 percent pay more than 50 percent of income for housing costs;
- Statewide cost burdens for elderly renters:
 - Elderly renter households at 30% or less of AMI: 57.1 percent pay more than 30 percent of income for housing costs and 54.4 percent pay more than 50 percent of income for housing costs;
 - Elderly renter households statewide at 30% - 50% of AMI: 50.4 percent pay more than 30 percent of income for housing costs and 15.8 percent pay more than 50 percent of income for housing costs;
 - Elderly renter households statewide at 50% - 80% of AMI: 33.1 percent pay more than 30 percent of income for housing costs and 8.0 percent pay more than 50 percent of income for housing costs;
 - Elderly renter households statewide at 80% or more of AMI: 9.0 percent pay more than 30 percent of income for housing costs and 4.8 percent pay more than 50 percent of income for housing costs;
- While 42 percent of all Montana's households are in the low-income categories, 57.5 percent of the special needs households are in the low-income categories.
- By 2010, 52 percent of elderly households and 57.5 percent of special needs households are estimated to be in the low-income categories
- Accessibility continues to be a significant issue for elderly and special needs households, in addition to affordability and supply.
- The elderly and special needs populations are forecasted to rise at an average of 1.74 percent per year, reaching over 98,000 elderly households and over 70,000 special needs households by 2010. This growth reflects Montana's aging population, and the increase in mobility and self-care limitations as the population ages.
- While the overall homeownership rate is 69.1 percent, Montana's special needs homeownership rate is slightly lower at 68.4 percent.
- **Actions/Resources/Strategy:**
 - Continue to market and support the Reverse Annuity Mortgage Loan Program, which enables Montana homeowners over 68 years old to provide for their own in-home support by utilizing cash from a Reverse Annuity Mortgage.

- Address the perceived need for assisted living housing for the elderly by commissioning a study on elderly housing issues in rural areas.
- Continue to utilize HOME and CDBG funds to develop projects targeted to physically, developmentally, and mentally disabled households.
- Increase group living and homeownership opportunities for persons with severe and disabling mental illness (SDMI) and other disabilities, especially through cooperation with the Montana Home Choice Coalition.
- The MBOH anticipates that it will continue to make funds available through the Disabled Accessible Affordable Home Ownership Program to provide architecturally accessible homes for persons with permanent disabilities and mobility impairments. The MBOH expects to finance 156 homes with nearly \$10 million in recycled mortgage funds over the five-year period.
- Continue to offer education regarding universal design and accessibility requirements in order to increase the number of accessible multi- and single-family units available.

➤ **Objective: Affirmatively further fair housing and implement objectives and actions identified in the *Analysis of Impediments to Fair Housing*⁶⁴.**

▪ **Actions/Resources/Strategy:**

- Continue to require all HOME and CDBG grantees to abide by fair housing laws and take actions to provide housing services and programs free of discrimination;
- Continue to maintain records reflecting the analysis and actions taken;
- Work to improve the understanding of fair housing law and proper construction practices by:
 - Improving the general public's understanding of fair housing law through further outreach and education.
 - Exploring the feasibility of incorporating homebuyer training at the secondary education level. Communicate how credit markets work, how to avoid credit problems, and what predatory lending practices are to an audience entering the rental or homebuyer market.
 - Designing educational training sessions for specific subgroups, including consumers and providers of housing to improve the fair housing educational experience.
 - Continuing to publish and distribute fair housing educational materials and guides.
- Enhance coordination among member of Montana's affordable housing community by:

⁶⁴ *Analysis of Impediments to Fair Housing and Housing Choice*, Western Economic Services, LLC, November 2004.

- Establishing a network with landlords, bankers, attorneys, and others for setting and coordinating a fair housing agenda. MDOC will oversee this effort. It will establish a Fair Housing Working Group with regular meetings to assess and review progress associated with the fair housing agenda.
- Encouraging partnerships among the disabled community, housing developers, builders, and other housing providers. This action may include:
 - Identifying and defining sources of information to which questions about 504 design and construction standards and 504 compliance can be referred; and
 - Urging developers and builders to contact the disabled community directly.
- Coordinating with Montana Fair Housing to further fair housing education throughout the state.
- Increasing the MDOC's role as an information clearinghouse by including additional information on the Housing Division website, including:
 - Montana Landlord/Tenant Law;
 - Federal and Montana fair housing laws; and
 - ADA and 504 design and construction standards.

➤ **Objective: Decrease housing environmental hazards, such as lead-based paint, asbestos.**

▪ **Actions/Resources/Strategy:**

- Enforce all applicable federal and state environmental laws;
- Present information on the LBP regulations and lead-safe work practices at its application and grant administration workshops;
- Continue to require the appropriate notification, inspection, testing, interim controls or abatement, and clearance activities are followed;
- Continue to promote lead-based paint training whenever it is aware of it being offered in the state; and
- Partner with the MSU Extension Service to expand LBP training opportunities by providing financial support for MSU staff to become accredited to provide EPA training for Inspectors and Risk Assessors. MDOC anticipates that underserved areas of the state will take advantage of this new, local resource to become EPA certified and/or to remain current in existing certifications.

➤ **Objective: Continually Improve the Efficiency of the MDOC Housing Programs.**

▪ **Actions/Resources/Strategy:**

- Market the resources available to acquire, build, preserve, or rehabilitate affordable housing units by continuing the participation of the HOME and CDBG program staff in joint affordable housing application workshops each year. Other participating programs include the MBOH Low Income Housing Tax Credit Program and USDA Rural Development Housing Programs. At least three workshops a year will be held.
- HOME, CDBG, MBOH, and USDA Rural Development staffs expect ongoing, active participation in the efforts to simplify and standardize housing program delivery in Montana. The Uniform Application is in use, and efforts during the coming five-year period will focus on standardizing environmental review processes and contents of grant administration manuals.
- Examine the allocation procedure in order to simplify and maximize the efficiency with which HOME funds are allocated and to ensure that they are being leveraged to the greatest extent possible.
- Continue to encourage CDBG housing funds be used as part of an overall neighborhood or community renewal effort.
- Continue to utilize technical assistance providers to the fullest extent possible. Emphasis will continue to be on community needs assessment and project development. Staff members of each MDOC program continue to market the programs and educate potential participants in the programs. The CDBG program proposes to continue to provide capacity building training and other technical assistance to local governments. This training relates to general community planning, capital improvement planning, provision of affordable housing, fair housing education, and environmental compliance.
- Increase training opportunities in housing construction as part of an overall economic development strategy that specifically targets training to at-risk populations, such as participants in the Job Corps, inmates in the prison system and residents of Indian Reservations.

III. HOMELESS

A. HOMELESS NEEDS

The Montana Continuum of Care (MT CoC) for the Homeless Coalition is a statewide collaboration of diverse homeless service providers, nonprofit organizations, and local and state governments. The coalition was formed to address homelessness with very few resources to cover Montana's vast geographical area. The system is predicated upon community and regionally based continuum of care systems, which form the statewide coalition and continuum of care process.

1. Survey of Montana's Homeless⁶⁵

The annual point-in-time survey of Montana's homeless, sponsored by the Intergovernmental Human Services Bureau of the MDPHHS, was administered statewide April 28-30, 2003. Volunteers and non-profit workers in each of seven major population centers reached as many of Montana's homeless people as possible during that time. There was no duplication among those surveyed. The questions and survey dates were consistent statewide, but the survey cannot be considered definitive or scientifically valid because methodology was left to the discretion of the agencies administering it. Those who conducted it on the streets elicited different snapshots of the homeless than those working through the homeless shelters. Even so, the composite results provide a valuable snapshot of what it means to be homeless in Montana.

Respondents were considered either "individuals" or "families," which was defined as being alone or with family. There were 516 families with 1,426 members, for an average family size of 2.76 people. There were also 1,397 homeless individuals surveyed. All told, 2,823 homeless people were identified.⁶⁶

☒ Age: Among identified families and individuals:

- | | | | |
|----------------------|-----|------------------|-----|
| • Under age 14 | 19% | • 35 – 44 | 20% |
| • 14 – 17 | 8% | • 45 – 60 | 22% |
| • 18 – 21 | 7% | • 61 – 72 | 24% |
| • 22 – 34 | 20% | • Aged 72+ | 1% |

☒ Gender: Overall, 61 percent of those surveyed were male, though more women than men were the heads of homeless families.

☒ Race: Minority representation was extremely disproportionate, with Native Americans represented at rates 2.2 to 3.6 times higher than would be expected based on 2000 Census data.

☒ Educational Attainment: The majority, 70.1 percent of individuals and 64.9 percent of family representatives, had a GED, diploma or degree.

☒ Tenure in the Community: Most of the homeless people surveyed were not strangers to the community. Approximately 60 percent of the homeless people surveyed had lived in the area for at least two years. More than one in five had been there for a minimum of six years. Eighteen (18) percent of individuals and 20 percent of families had been there for three months or less.

⁶⁵ *Homeless in Montana: a report*, MT Dept of Public Health & Human Services, Intergovernmental Human Services Bureau, 2004.

⁶⁶ Through the *Annual Survey of the Homeless*, the attempt is made to reach as many homeless individuals and homeless families as possible. This is done largely through volunteer efforts. The data describes only those who were reached during the point-in-time survey taken in the seven urban centers of Montana over the course of three days in April 2003. It is impossible to conduct an exhaustive count, but the attempt is made to provide a reasonable indication of the extent of the problem and to profile who the homeless in Montana are. Survey approaches are a legitimate, valuable tool for understanding the prevalence of a condition such as chronic homelessness, and for understanding the characteristics of those experiencing that condition.

- ☑ Time Homeless: Nearly one-third, 32.9 percent, of the homeless individuals interviewed and 22.3 percent of those representing families had been homeless for more than a year.
- ☑ Where did you sleep last night? The top two options were staying with friends or relatives and emergency shelters. Comparatively few reported coming from detoxification facilities, hospitals, or correctional facilities.
- ☑ Factors: Respondents were given a choice of 15 factors and asked to choose all that applied to them. There were marked differences in the responses of the two groups. The top 5 responses for each group were:

Families

1. Lost job/no skills24.2%
2. Moving costs.....22.3%
3. Domestic abuse.....21.5%
4. Mental health18.0%
5. Evicted.....17.4%

Individuals

1. Mental health..... 33.7%
2. Drugs/alcohol 27.2%
3. Lost job 21.9%
4. Lifestyle choice..... 20.4%
5. Moving costs 6.3%

Chronic homelessness is defined as, “An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or has had at least four (4) episodes of homelessness in the past three (3) years.”⁶⁷

According to *Ending Chronic Homelessness: Strategies for Action* by the U.S. Department of Health and Human Services (2003), longitudinal analyses of homeless service users create distinctions among homeless persons. The group is not homogeneous, but comprised of three subgroups:

1. Temporarily homeless: persons who experience only one spell of homelessness (usually short) and who are not seen again by the homeless assistance system;
2. Episodically homeless: those who use the system with intermittent frequency, but usually for short periods; and
3. Chronically homeless: those with a protracted homeless experience, often a year or longer, or whose spells in the homeless assistance system are both frequent and long.⁶⁸

This is consistent with federal Homeless Policy Academy materials, which indicate that 80 percent of those who experience homelessness each year exit within three to four weeks, 10 percent are episodically homeless, and 10 percent experience chronic homelessness. The chronically homeless as a group face numerous barriers. They exhibit high levels of disability, are not engaged with conventional community life, have multiple service needs, and yet still must navigate largely fragmented systems.⁶⁹

⁶⁷ U.S. Departments of Housing & Urban Development and Health & Human Services, and Veterans Administration

⁶⁸ *Ending Chronic Homelessness*: <http://aspe.hhs.gov/hsp/homelessness/strategies03/ch.htm#ch2>

⁶⁹ *Ibid.*

According to Montana's 2003 Survey of the Homeless⁷⁰:

- 444 (33 percent) of individuals and 109 (22.3 percent) families had been homeless for longer than a year.
- 51 percent of individuals and 46 percent of families had been without safe, permanent housing for more than six months.

Montana's 2003 Survey of the Homeless			
Time Homeless	Individuals		Families
Less than 1 month	157	11.6%	62 12.7%
More than 1 month	186	13.8%	82 16.8%
More than 3 months	218	16.2%	103 21.1%
More than 6 months	247	18.3%	116 23.8%
More than 1 year	444	32.9%	109 22.3%
Unsure	96	7.1%	16 3.3%

Montana's 2003 Survey of the Homeless ⁷¹				
	Individuals		Families	
	#	%	#	%
Drugs/Alcohol	380	27.2%	86	16.7%
Mental Health	471	33.7%	93	18.0%
Co-occurring Mental Health & Substance Abuse Disorders	177	12.7%	29	5.6%
HIV/AIDS	5	0.4%	1	0.2%
Physical Disability	185	13.2%	48	9.3%

- Per the table at left, significant numbers cite one or more disabling conditions as factors in their homelessness.

Minorities are overrepresented among Montana's homeless population. This is particularly true in relation to Native Americans, who are represented at rates 2.2 to 3.6 times higher than Census data would dictate. The table below compares the percentage of minority people represented in the *2003 Survey of the Homeless* with Montana Census data. This overrepresentation is consistent with what is happening nationally. Little is known about what homelessness looks like on Montana's reservations, which encompass approximately 13,084 highly rural square miles. Per the table, American Indian people are represented among the homeless at highly disproportionate rates, in total accounting for 180 individuals and 111 families. Poverty and lack of living wage jobs are pivotal precursors to homelessness among all Montanans. These factors are particularly evident among the tribes:

Race/Ethnicity ⁷²	2003 Survey of the Homeless		2000 Census
	Individuals	Families	Overall
White	78.5%	67.7%	90.6%
African American	2.2%	1.6%	0.3%
Native American	13.5%	22.6%	6.2%
Hispanic	2.5%	3.3%	2.0%
Asian	0.4%	0.8%	0.5%
Multi-racial	2.2%	3.7%	1.7%
Other	0.7%	0.4%	0.6%

- ❑ Poverty on the reservations ranged from a low of 34 percent on the Blackfeet Reservation to 50 percent on the Northern Cheyenne Reservation at the time of the 2000 Census;

⁷⁰ *Homeless in Montana: a report*, MT Dept of Public Health & Human Services, Intergovernmental Human Services Bureau, 2004.

⁷¹ *Ibid.*

⁷² *Ibid.*

- ❑ Tribal calculations for 1999⁷³ revealed extremely high unemployment rates, ranging from 36 to 76 percent of the labor force on the reservations.
- ❑ Among those who are employed, 12 to 40 percent had incomes below poverty.

B. PRIORITY HOMELESS NEEDS

During the 2003 survey, participants were asked, “Do you or anyone in your family need any of the following?” Respondents were encouraged to select as many of 15 different items as were applicable. There were 5,220 positive “hits” from individuals and 1,979 from families, indicating an array of needs for each respondent. The top three ranking items were the same for both groups. The needs can be broken down into broad categories, including: (1) basic needs (food, shelter and/or clothing); (2) health needs, including medical, prenatal, substance abuse and/or mental health treatment; (3) skills/training or education; and (4) access to mainstream services, including childcare, transportation, and Veterans’ and/or legal assistance. Overwhelmingly, the category receiving the most positive responses was basic needs: 41 percent of all individual responses and 36 percent of all family responses fell there. Perhaps the most compelling fact revealed is the multiplicity of needs and variety of local, state, and federal programs required to address those needs. Coordinated multi-agency strategies will be a key to combating homelessness in Montana.

Montana’s 2003 Survey of the Homeless		
<i>What do you need?</i>	Individuals	Families
1. Help finding a place to live	57.4%	57.9%
2. Food or clothing	51.0%	47.1%
3. Medical care	45.8%	47.1%
A regular place to sleep	45.2%	31.4%
Job training, skills or counseling	39.9%	42.1%
Mental health care or medication	38.9%	31.8%
Drug/alcohol treatment	27.4%	20.7%
Child care	1.5%	26.2%
School	14.9%	22.5%
Transportation to work	17.0%	19.0%
Legal assistance	16.5%	18.4%
Transportation to relocate	6.0%	7.2%
Prenatal care	0.6%	4.8%
Veterans’ assistance	5.0%	3.7%
Other	6.5%	3.7%
These values are based on the <i>number of respondents</i> stating that they needed help in these areas		

More than half, 55.3 percent of individuals, and 76 percent of the families surveyed had income and 21 percent of individuals and 27.1 percent of families were working either part- or full-time. A very small minority stated that they resorted to asking strangers for money.

Montana’s 2003 Survey of the Homeless		
Income Source	Individuals	Families
Had some income	55.3%	76.0%
SSI	15.5%	11.2%
Part-time job	14.3%	12.8%
Food stamps	11.4%	21.7%
Other	6.9%	7.2%
Full-time job	6.7%	14.3%
Social Security	6.0%	4.1%
Selling personal belongings	4.9%	5.4%
Asking strangers for money	4.7%	1.6%
Family/friends	3.0%	8.7%
Veterans benefits	2.7%	1.0%
TANF or FAIM	1.1%	23.3%
Savings	1.1%	0.4%

⁷³ Northwest Area Foundation indicators: <http://indicators.nwaf.org/>

1. Homeless Population and Subpopulations⁷⁴

The 2003 Statewide Homeless Survey, which provides “unsheltered” data, and the Subpopulations Served Survey, the source for “sheltered” data, were both conducted at the same time as the Housing Inventory, on April 30, 2003. “Unsheltered” Chronic Homeless were determined by identifying “individuals” responding in the survey that they needed mental health assistance and were homeless due to mental health reasons or other serious disability. This subset was cross-matched with responses on the duration and frequency of homelessness to identify those who were homeless for more than a year or four times in the past three years. This subset was further reduced to identify only those who indicated on the survey that they spent the previous night either on the streets, at a camp, or in a car. This data is completely reliant upon responses from the homeless persons themselves and the level of confidence is still to be determined, yet is our most direct and consistent source of data.

There are two potential sources for “Sheltered” Chronic Homeless data. The first uses the same final “subset” as above and is extracted from the Homeless Survey but then identifies respondents (171) stating they stayed the previous evening in a shelter, motel, jail, hospital, or with friends. The second source comes from the Subpopulations Served Survey conducted in facilities, which asks shelter and housing facilities to identify how many chronically homeless residents (91) they had on the night of the survey. However, respondents often indicated they did not have the needed information to identify the chronically homeless. For consistency, the MT CoC used the homeless survey data of 171 sheltered.

All three of the data sources are “point-in-time” enumerations. The lead agency sponsoring all three surveys is the Montana CoC Coalition. Co-sponsors include the MDPHHS and the HRDC Directors’ Association. For more information on the survey, contact Robert Buzzas, 321 E. Main, Suite 316, Bozeman, MT 59715; 406-586-1572; e-mail: civicconsulting@msn.com.

⁷⁴ The 2005 Survey of the Homeless was conducted in seven communities statewide in late January 2005. As many unduplicated homeless persons as possible were identified and surveyed. While the survey cannot provide a census of Montana’s homeless, it can offer a valuable point-in-time snapshot of what it looks like to be homeless in Montana.

2004 Continuum of Care Homeless Population and Subpopulations Chart⁷⁵

		Current Inventory in 2004	Under Development in 2004	Unmet Need/ Gap
Individuals				
Example:	Emergency Shelter	100	40	26
Beds	Emergency Shelter	450	0	87
	Transitional Housing	177	73	314
	Permanent Supportive Housing	128	15	598
	Total	755	88	1,087
Persons in Families with Children				
Beds	Emergency Shelter	275	0	89
	Transitional Housing	230	0	574
	Permanent Supportive Housing	24	0	550
	Total	529	0	1,213

2004 Housing Gaps Analysis Chart

Part 1: Homeless Population	Sheltered	Unsheltered	Total	
	Emergency	Transitional		
Example:	75 (A)	125 (A)	105 (N)	305
1. Homeless Individuals	295 (N)	233 (N)	869 (N)	1,397 (N)
2. Homeless Families with Children	48 (N)	42 (N)	417 (N)	507 (N)
2a. Persons in Homeless Families with Children	133 (N)	118 (N)	1,166 (N)	1,417 (N)
Total (lines 1 + 2a)	428 (N)	351 (N)	2,035 (N)	2,814 (N)
Part 2: Homeless Subpopulations	Sheltered	Unsheltered	Total	
1. Chronically Homeless	171 (N)	117 (N)	288	
2. Severely Mentally Ill	106 (N)	<i>Optional for Unsheltered</i>		
3. Chronic Substance Abuse	127 (N)			
4. Veterans	67 (N)			
5. Persons with HIV/AIDS	47[46 HOPWA] (N)			
6. Victims of Domestic Violence	129 (N)			
7. Youth (Under 18 years of age)	147 (N)			

2. Housing Gaps Analysis

For Emergency Shelter beds, both individual and family, the gap is calculated by multiplying “total need” (i.e., total number of homeless counted in the survey minus inventory of existing beds) by 10 percent to produce “unmet need.” In other words, the MT CoC’s goal is to fill only 10 percent of the simple “total need.” While somewhat arbitrary, many factors went into arriving at this percentage, including the level of confidence in the actual data, the high level of transience in shelter usage, and the fact that there is a low frequency of “filled rates” in many of the larger city shelters. This percentage also reflects that the MT CoC’s priority is not on shelters.

⁷⁵ Montana Continuum of Care 2004 Application to HUD, July 2004 (See Appendix E for a complete copy)

Determining the “unmet need” or gap for transitional beds is more complicated. The MT CoC’s priority over the past year has clearly moved toward “housing first,” but it also recognizes there are still subpopulations in need of transitional housing. Those groups were identified as homeless due to: (1) serious mental illness; (2) substance abuse; (3) dual diagnoses; (4) domestic violence; and (5) homeless teen mothers or pregnant teens. These subpopulations were added together to produce “total need.” Only half of total domestic violence count was used as the best estimate of those who actually needed transitional housing as opposed to permanent housing. The inventoried number of beds for individuals and family beds, including beds under development, were then subtracted from this “total need” to produce “unmet need.”

These same “total need” numbers were used to determine the gap in permanent supportive housing by subtracting the number of inventoried beds for both individual and families from “total need” to produce the “unmet need.”

C. HOMELESS INVENTORY

See Appendix E, the 2004 Continuum of Care application, for the *Service Activity Chart* (form HUD 40076 CoC-F) and *Housing Activity Chart* (form HUD 40076 CoC-G). The *Service Activity Chart* (Form HUD 40076 CoC-G) begins on page 28 in Appendix E (Prevention Component: page 28; Outreach Component: page 30; Supportive Services Component: page 32). The *Housing Activity Chart* begins on page 35 in Appendix E (Emergency Shelter: page 35; Transitional Housing: page 36; and Permanent Supportive Housing Service: page 38).

D. HOMELESS STRATEGIC PLAN [91.315(c)]

Breaking the long-term cycle of homelessness, tempered by short-term shelter, cannot be accomplished by building more shelters or facilities alone. Besides a lack of shelter, homelessness involves a variety of unmet physical, economic, and social needs. A comprehensive, coordinated system of homeless assistance is comprised of a wide array of services, tools, and opportunities for the homeless. Homeless services will include a prevention strategy and will help the homeless in stages—to take them from an emergency shelter to permanent housing.

1. Institutional Structure

The lead entity is the Montana Continuum of Care Coalition, a seven-year-old statewide collaboration of individuals and organizations representing a wide variety of communities and homeless services. The MT CoC has no "official" designation, and is not a 501(c)(3) organization nor is it housed within any governmental entity. It has been, however, the state’s only homeless planning entity and has successfully brought together many key players to achieve a long list of accomplishments. It was started by collaboration between the MDPHHS and the Montana HRDC Association (community action agencies). The MDPHHS continues to provide staffing through a contract for services and the HRDC Association continues to help underwrite the costs of the annual

statewide homeless survey, but governance issues and other decisions are left completely to the MT CoC membership.

An Executive Committee of 10 members from seven communities provides the core leadership to oversee and assess the need for change, the development of committees, and to give directions to the consultant/staff. Membership on the Executive Committee is open to anyone interested in serving. Other committees for the 2004 program year included: Process, Strategy, Renewal Reviews, Policy Academy, HMIS Development, and MT Council on Homeless committees.

Although the MT CoC Coalition has been the only planning body in the state addressing homelessness, that is changing. In May 2004, then-Governor Martz established the Montana Council on Homelessness. The MT CoC is committed to having a single, integrated and inclusive planning body and looks forward to working with the MCH and deferring planning and leadership to it as the principal homeless planning body. Of the 16 appointees to the MCH (see MCH membership, Appendix A, page A-3.), five active MT CoC members are included to help ensure close coordination and integration between these two organizations. While the precise role of the MT CoC will be revised this coming year to best complement the efforts of the MCH, it is envisioned that it will become a partner in planning and just one of many organizations being coordinated by the MCH in implementing a far broader agenda of action items.

The MT CoC reviews its mission and strategy, structure, process, and progress annually. At least five other meetings throughout the year are needed to continue ongoing planning efforts, develop projects, organize the homeless survey and housing activity survey, refine the MT CoC's process, ensure project ranking occurs, and facilitate the submission of a consolidated MT CoC application.

MT CoC membership or participation is completely open and operates on the principles of shared-leadership and decision-by-consensus. Membership averages 50 to 55 individuals representing every district as well as the 10 largest cities in the state with about half of those being consistently active throughout the year and from year-to-year. While the executive provides some core leadership and planning, everything is subject to review and change during the statewide MT CoC meetings. Agendas include time for open discussion and draft agendas are sent prior to each meeting requesting changes or additions.

Linkages and coordination with other statewide groups, such as the NAHRO⁷⁶ MT Association, the Montana Home Choice Coalition, the HRDC Association, Mental Health Network, Montana Veterans Association and others, is accomplished through cross membership in the MT CoC and these organizations.

Collaboration with state agencies, such as the Addictive and Mental Disorders Division of the MDPHHS, state Veterans Affairs, state housing programs, the Consolidated Plan,

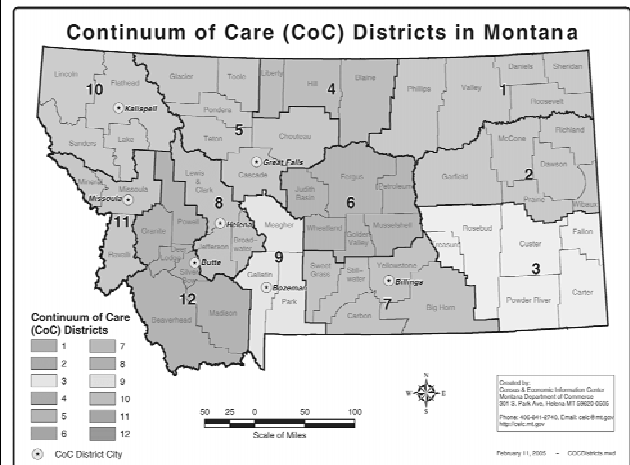
⁷⁶ National Association of Housing and Redevelopment Officials

and the state PATH Coordinator, are all achieved through having representatives from these offices in the MT CoC.

Given that most of Montana is very rural and sparsely populated (half of the 56 counties meet the “Frontier” designation of fewer than seven people per square mile), the districts are used as the organizational structure to ensure both geographical participation in the continuum and the delivery of services throughout the state. These are the same districts used by the HRDCs since 1964. The following map shows the districts and the table illustrates the extent to which Montana is challenged to provide services by vast geography and sparse population. Note the comparison of size and population size to the sample states showing districts larger than some states yet only a fraction of the population.

Montana Continuum of Care for the Homeless Coalition

District	Population	%	Size (Sq. Mi.)	Density (people per sq mi)
1,2,3	81,262	9%	48,499	1.7
4	31,810	4%	12,599	2.5
5	111,740	12%	11,627	9.6
6	22,513	2%	12,371	1.8
7	163,379	18%	13,393	12.2
8	88,063	10%	6,395	13.8
9	85,457	9%	7,840	10.9
10	130,042	14%	13,375	9.7
11	135,756	15%	6,242	21.7
12	70,086	8%	14,701	4.8
Connecticut			5,554	592
New Hampshire			8,215	1,065
Rhode Island			1,214	906.3
Vermont			9,615	62.7
Massachusetts			9,241	770.7
West Virginia			12,232	75.6



Within these districts are a total of 10 community-based or regional continuum of care networks that send representatives to the statewide MT CoC meetings. The seven largest cities in the state provide the major hubs of service that extend to outlying rural areas and encompass approximately two-thirds of the entire state's population.

Starting on page 4 of the 2004 MT CoC application⁷⁷ is a list of 54 individuals and their organizations that participated in the last year's coalition. Seven represent key programs in state agencies, three from local governments, 39 from community and statewide nonprofit organizations or advocacy groups, five from PHAs, and even two from the Social Security Administration. Representatives from the HUD state office also participate, but are not included in the list, since they attend meetings only during the summer and fall to preclude involvement with any application activity

⁷⁷ Montana Continuum of Care 2004 Application to HUD, July 2004 (See Appendix E for a complete copy)

2. Homelessness Prevention

A fundamental component of the MT CoC is homeless prevention. Services already in place in assistance with basic needs, eviction and domestic abuse prevention, and job training and employment security. Planned services to prevent homelessness include developing a uniform state discharge policy, encouraging individual development accounts and earned income tax credits, promoting greater integration of intensive case management

a. Services in Place

☒ Basic Needs

- Emergency financial assistance is available through county welfare offices in varying degrees throughout the state's 56 counties for food, medical care, and transportation.
- Food banks are active participants in the local continuums and provide free groceries that often times free up cash resources for rent, transportation, and other essential needs. The providers are community food banks.
- Food stamps are also accessed to do the same. The providers are the 12 local Public Assistance Offices and their outlying satellite offices.
- Affordable housing programs including HOPWA, Shelter Plus Care, Section 8, CDBG, HOME, Montana Preservation Project, and federal and state tax credits are used by the ten HRDCs (which operate over 15 housing projects in the state). Public housing authorities and several other nonprofit housing organizations (e.g., WORD in Missoula, Neighborhood Housing Services in Great Falls) continue to build the state's affordable housing stock as well as to preserve existing affordable units. Montana now also has a Housing Trust Fund.
- The Salvation Army, St. Vincent DePauls', and other faith-based organizations or churches throughout the state offers emergency assistance. The diversity and levels of services are too numerous to document, but include everything from a cot in the basement of the church to family counseling and childcare provided by the Salvation Army.

☒ Eviction Prevention

- Credit counseling. Credit counseling to assist clients in negotiating delinquent rents or mortgage payments and reaching agreements with landlords to avoid evictions is available through HUD-approved credit counseling programs throughout the state. The primary providers of this service are the HRDCs, WORD, Neighborhood Housing Services, and the public housing authorities.
- Emergency rent assistance. In cases of impending eviction, the ten HRDCs use funds from Emergency Services Grant for emergency rent.

- Emergency Utility Assistance. The state's ten HRDCs also administer Montana Energy Share (a consumer and utility company funded heating assistance program), Low Income Energy Assistance Program (LIEAP), and weatherization program for emergency utility assistance throughout the state.
- ☑ Domestic Abuse Prevention: Most communities are now providing parenting and conflict management classes, domestic intervention and partner counseling services as part of affordable housing programs that are designed to build skills in adults that strengthen marriages and partnerships. The primary providers of this service are churches or collaborations between churches, HRDCs, and domestic abuse organizations that vary from community to community.
- ☑ Job Training and Employment Security: The HRDCs, Workforce Investment Act (WIA) Workforce Centers, and other job training providers are coordinating under WIA One-Stop to provide training, education and employment programs that target individuals most at-risk of homelessness.

b. Planned Services

- ☑ Uniform State Discharge Policy: The MDPHHS has initiated a study of discharge practices for state correctional facilities, hospitals, foster care programs, and other facilities as the first step in creating a new policy that will prevent a discharged person from becoming homeless. As part of the Policy Academy Action Plan, we anticipate having a new policy recommended to the Governor for executive action by early spring 2005.
- ☑ Individual Development Accounts and Earned Income Tax Credits: Montana continues to be one of only a few states not taking advantage of federal assistance to implement Individual Development Accounts (IDA) that can build valuable assets for at-risk individuals and families while participating in other job training, affordable housing, and other related programs used to prevent homelessness and support transitional housing programs. Montana also has a fairly low rate of low-income taxpayers utilizing the Earned Income Tax Credit that can save some families up to \$2,000. The state's HRDCs are beginning to initiate activities in both of these areas and the MT CoC has offered to help.
- ☑ Greater integration of intensive case management is gaining prominence not only among the local and state continuum of care network, but has also been featured or adopted as a goal within the state's mental health services and in the state's job training offices. This effort will be bolstered in the coming year by the Policy Academy's commitment to develop curriculum for "cultural sensitivity" (issues unique to various homeless subpopulations) and "accessing mainstream resources" that can be incorporated into annual training sessions conducted by mental health and job training offices as well as through the state's Profession Development Center, which provides training to state employees.

3. Chronic Homelessness

According to the Montana Continuum of Care 2004 Application⁷⁸, the 2003-04 MT CoC Plan (September 2003 through August 2004) included 12 goals and 30 action steps designed to address the Chronic Homeless Action Plan jointly developed and adopted by the MT CoC and the Montana Chronic Homeless Policy Academy Team. Twenty-one action steps were successfully implemented, progress continues in seven others, and two were dropped after considerable effort. Specific actions included:

- ☑ The Montana Council on Homelessness was established on May 7, 2004 by Executive Order of the Governor. The MCH met in May with the Governor and is engaging in a series of planning sessions to map out its goals and action steps.
- ☑ State discharge policies, including state prison, youth corrections facility, state mental hospital, foster care program, nursing care center, and the state chemical dependency center were inventoried. As a result, the MT CoC is initiating two pilot programs specific to the State Prison and the State Mental Hospital for creating better community mobilization of housing and other services for discharges.
- ☑ In collaboration with the regional Social Security Administration office in Denver, a pilot project was designed to increase SSI acceptance rates by “red flagging” disability determination applications for four months for special scrutiny and developed joint training for community mental health center case managers and supervisors to improve the quality of SSI applications. Workshops were held in Great Falls and Helena in April 2004 (30 attendees each), and at the State Mental Hospital for social work staff in May 2004. Other training is planned and next steps include training for hospital psychologists conducting diagnoses.
- ☑ A Memorandum of Understanding was signed with the Montana State Mental Hospital to cooperatively work together to prevent the discharge of any patients into homelessness. The hospital initiates discharge planning within 10 days of admitting a patient and makes every effort to include a contact from a community mental health center in preparing an After Care Plan for each patient.
- ☑ Efforts promoting VA grants to MT CoC participants resulted in Montana going from no funding to the award of five different grants to MT CoC participants for per diem and service center grants that will provide 73 new transitional housing beds and fund contacts with 725 homeless veterans in two communities including a grant for acquisition and renovation of a service site and an outreach van.
- ☑ Funds were raised from Fannie Mae, MBOH, MDPHHS, and the State Community Action Partners Association to sponsor a statewide “Housing First” Workshop conducted by Tanya Tull of Beyond Shelter, Inc.
- ☑ A statewide Cultural Sensitivity in Case Management workshop was conducted. The workshop was designed to help case managers deal more effectively with chronically homeless individuals.

⁷⁸ Montana Continuum of Care 2004 Application to HUD, July 2004 (See Appendix E, starting with page 15)

- ☑ A statewide “pre-release” workshop on HUD’s “First Step” Case Management software was conducted and informational disks and other materials are being distributed statewide.
- ☑ The Montana Department of Veterans Affairs office developed a model for community “Stand Downs” and is providing some financial and other support to promote more stand downs throughout the state. Two stand downs occurred in Billings, September 11, 2004, and in Libby, October 2, 2004. In 2003, Libby was the site of the nation’s largest Veterans Stand Down.
- ☑ An agreement was reached with the MDPHHS to administer the homeless management information system (HMIS), currently in the final implementation phase.
- ☑ The statewide homeless survey was revamped to better capture chronic homeless numbers. The survey date was changed from the spring to January due to NOFA requirements.

While some of the actions above are easily quantified, it is important to note that other immeasurable actions are considered the most important accomplishments of the MT CoC. Chief among them is the creation of the MCH, very likely the single most critical step toward eradicating chronic homelessness by 2010. While no quantifiable impact is available, the state level leadership from policy makers and agency directors that has been scarce until now is building.

The pilot project developed jointly between the MT CoC and the regional Social Security Administration office in Denver is targeted to increase the state’s SSI acceptance rate from 32 percent to 80 percent, which will result in the number of chronically homeless individuals receiving immediate Medicaid and SSI benefits, an increase from about 30 to 80 individuals.

The VA grants are providing 63 new transitional housing beds in two communities with high rates of homelessness. A conservative estimate of a two-month average stay means 378 total individuals will be housed and about 25 percent, or about 95, will be chronically homeless. It is anticipated that about 25 percent, or 24 individuals, will be referred successfully to substance abuse or mental health treatment. The service centers will contact about 8,700 homeless veterans a year, of which, about 2,175 are estimated to be chronically homeless, and of that, 10 percent, or 217, will be successfully referred to treatment or other services leading to stability and permanent housing. The MT CoC estimates these grants will lead to 240 chronically homeless individuals moving out of homelessness.

The January 2005 homeless and facilities survey is designed to provide some measurable data on whether MT CoC efforts, such as the workshops, are effectively increasing outreach and improving case management, particularly to the chronically homeless. Until then, the MT CoC’s annual performance report comparisons provide some anecdotal impacts. Most obvious is the sheer increase in the number of clients. In 2003, 10 renewal projects exited 348 clients compared to 1,167 for 13 renewal projects

in 2004. While the percent change in enrollment in various mainstream programs improved only slightly, the dramatic increase in the number of clients indicates case managers were exiting more clients into mainstream services than before (SSI: from 64 to 241; TANF: from 51 to 165; employment income: from 159 to 852; Medicaid: from 113 to 284, food stamps: from 233 to 819). While the chronically homeless cannot be distinguished from other homeless in these numbers, the MT CoC are confident that the SSI and Medicaid numbers reflect significant increases in the chronically homeless population.

The impacts from the 2004 “Stand Downs” were expected to reach well over 2,000 veterans in Billings and Libby. While the MT CoC cannot estimate or quantify the impact at this time, both stand downs have enrollment or intake and referral services to many programs. Anecdotal evidence and stories indicate that a number of veterans find their road out of homelessness through processes that start with the stand downs.

MT CoC partner, the Montana Home Choice Coalition, was successful in moving projects that have or will (in the next couple of months) create 38 new units of permanent housing in five communities for seriously disabled individuals with long-term histories of institutionalization. While not specifically set aside for homeless, some of the residents were homeless at the time of entering the State Mental Hospital and others are at high-risk of homelessness without these units.

The largest obstacle continues to be the need for state policy leadership and state agency commitment that will bring more resources and coordination to bear on the problem. The structure created through the MCH and the commitment from former Governor Martz and the former director of the MDPHHS are leading to even broader engagement, a significant achievement. One potential obstacle now, however, is that the new administration is bringing new leadership, department directors, and to some extent, shakeups in management positions. The MT CoC will address this potential obstacle by working closely with the new MCH to ensure momentum gained over the past year is not lost.

The shortage of beds/slots for both substance abuse treatment and mental health treatment and the availability of permanent housing when it is needed continue to be major obstacles. While the MT CoC is making inroads through programs such as Shelter Plus Care (SPC), the state is losing ground in the Section 8 voucher program. This problem is being presented to the MCH as one of its most serious challenges in the hope that state housing resources will be made available for the chronically homeless population.

The number one priority jointly developed by the recent Montana Chronic Homeless Policy Academy team and the MT CoC continues to be: “To establish both the leadership and statewide structure necessary to provide the coordinated effort necessary to end chronic homelessness by 2010”. The next three priorities are:

- To improve effective case management.

- To access new resources that can make a difference
- To create new outreach efforts to hard-to-reach the chronically homeless.

The MT CoC's strategy for addressing these priorities include the following:

- ☑ Creating the Montana Council on Homeless: This is the primary means for creating the leadership, statewide structure, and coordinated effort called for in the first strategy and priority. Foremost among the attributes of the MCH is that it includes high-ranking state officials and policy makers and service providers who are new and critical participants in the homeless planning effort. With their involvement, the MT CoC will be much more effective in coordinating the delivery of services, programs and case management, prioritizing outreach through all programs under state purview, and marshalling more and new resources.

The MT CoC supports the MCH becoming the primary homeless planning body and is committed to not having two separate or disconnected planning efforts. The MCH will be the critical vehicle for moving forward in all of the strategy areas.

Because the MCH and the emerging leadership are still in the early stages, resources and attention will continue to be on the successful "activation" of the MCH. To fully engage all members, particularly the newer ones, and for the MCH to become an effective leader of change, it will be necessary for the MCH to undertake yet another homeless planning process. The MT CoC's role will be to provide support and to work through the MCH to produce a new plan.

At the first MCH meeting in May 2004, MT CoC members suggested that the MCH adopt both short- and long-term goals so that action steps already developed by the Policy Academy Team could continue to be implemented and not lost, while longer-term goals could still be adopted during the MCH planning sessions later. Some critical goals were deferred to the MCH, the MT CoC prioritized seven short-term goals with 20 action items that either complement some of the MCH's short-term goals, boost the MCH's planning process, or continue to achieve results in already initiated efforts. (Goals and Actions are provided in the Strategy/Goals table in Appendix E, beginning on page 19.)

- ☑ Establishing the HMIS system and tracking institutional discharges to provide reliable data, tracking systems and outcome measuring capabilities will continue to be a major task for the MT CoC in collaboration with the system manager, the MDPHHS. While MDPHHS is responsible for providing the system, the MT CoC is primarily responsible for recruiting participation. This data will drive the development of actions under the strategies, including increased leadership and coordination of resources, more effective case management and outreach efforts, and mobilization of new state resources.

The MT CoC is also adding a pilot project that will include information not provided in HMIS in an attempt to account for and track the chronically homeless admitted to

and discharged from four major hospitals, four city or county jails, the Montana State Hospital, and the Montana State Prison. The statewide homeless survey indicated that 11 percent of the chronically homeless spent the previous evening in one of these institutions. While other action items directly curtail these incidences, this pilot project will help in the design of further actions by providing better data on frequency and better understanding of the conditions.

- ☑ Preventing Institutional Discharge into Homelessness. While not directly a result of a specific priority or strategy, the MT CoC is addressing the prevention of institutional discharge into homelessness. This effort directly contributes to the strategies of building greater leadership and coordination as well as improving case management. For example, discussions leading to a memorandum of understanding with the director of the State Hospital were one factor in his increased commitment to homelessness as a state administrator as well as his participation with local program case managers to find additional ways to decrease the incidence of homeless from discharges.
- ☑ Increasing & Improving Chronically Homeless Outreach. The statewide homeless survey enumerated 97 sheltered and 117 unsheltered chronically homeless. The MT CoC will be proposing that measures to increase and improve outreach to chronically homeless become a major goal of the MCH. To further this strategy, the MT CoC will document and model two pilot projects in two communities providing “one-stop” and “co-location” of services. While there are other similar community programs doing the same thing, two specific initiatives have been selected to demonstrate to the MCH the need for state policy level support for even broader efforts.
- ☑ Increased Use of Mainstream Resources. As a means of continuing to improve case management and better utilize mainstream resources, the MT CoC intends to undertake efforts to prioritize increased enrollments in SSI, food stamps, and VA benefits. The statewide homeless survey indicates that only 18 percent of the chronically homeless are enrolled in SSI and only 14.5 percent in food stamps. Similarly, the 2003-2004 annual performance report comparisons show enrollments have increased only 2 percent for SSI and 3.3 percent for food stamps. The survey also indicates that 10 percent of the chronically homeless need assistance with making Veterans claims and only 3.5 percent are receiving any Veterans benefits.
- ☑ Mobilizing new resources will also be achieved through a proposal being developed for an innovative use of a state-bridge fund that will make SPC vouchers more available across the state in less-served rural areas or for harder to serve clients. The MT CoC will also be asking the MCH to adopt the need for more permanent supportive housing as a high priority and to consider a MT CoC proposal to set aside or prioritize a portion of the MBOH funds for the creation of new permanent supportive housing. The MT CoC is also working with Fannie Mae to co-develop a project or series of activities intended to utilize the \$100 million Tax Credit Partnership Fund to spur supportive housing development.

- ☑ Increasing Role of Municipalities. Last, but not least, a new strategy for the MT CoC is increasing the commitment of local governments, particularly mayors, council members, and chief executives, in playing a greater partnership role in addressing chronic homelessness. This strategy was adopted in response to the homeless survey indicating that 70 percent of the chronically homeless have been in the community for two years or more. Montana's chronically homeless population is not a highly transient population, rather they are residents of our communities. The activities will include distributing information packets detailing homeless data and efforts in their own community and modeling innovative ways other local governments are partnering with state, federal, and nonprofits to eradicate homelessness. A model resolution is also being promoted that includes a pledge to join with other municipalities across the country to eradicate chronically homeless by 2010 and agreeing to direct their relevant municipal services (e.g., police, housing or community development and planning departments) to participate in their local continuums to develop outreach, referral and permanent supportive housing programs.

4. Discharge Coordination Policy⁷⁹

The Montana Council on Homeless. The MT CoC considers the creation of the MCH in May 2004 to be a significant achievement that will have major influence on future discharge planning. Among the Governor's appointees are key state policy and administrative leaders, including those from the institutions in question. The first planning session was September 15, 2004 and work groups are in the process of being formed, including one on Discharge Planning, which will very like include members of the MT CoC.

Discharge Policies Inventoried. At the MT CoC's request, while waiting for the executive order for the creation of the MCH to be issued, MCH staff inventoried the discharge policies of the Department of Corrections, Pine Hills Youth Correctional Facility, Foster Care, State Mental Hospital, Montana Mental Health Nursing Care Center, and the Montana Chemical Dependency Center. The inventory and staff memo has provided the basis for some initial assessment and led to some interim action steps by the MT CoC.

Interviews and discussions with both discharging institutions and local service providers, however, reflect varying interpretations of the extent to which institutional discharges are a problem. One of the critical challenges in the very near future will be to assemble the available data and identify the gaps in the information to determine the extent to which discharge into homelessness does occur, under what conditions, and what can be done to help.

To begin this process, the MT CoC has implemented three initiatives:

⁷⁹ Montana Continuum of Care 2004 Application to HUD, July 2004 (See Appendix E for a complete copy)

- A pilot project between the Poverello Center (Missoula) and the State Prison will provide one of the first community organization/prison working relationships designed to increase collaboration and the opportunity to identify additional steps that can be taken.
- A Memorandum of Understanding between the MT CoC and the State Hospital commits both parties to working collaboratively to prevent homeless discharges and to bring to bear more community resources, particularly housing.
- A demonstration between the State Mental Hospital and two community mental health centers (Helena and one other) is being developed that will increase the level of attention given to discharges in the communities to better understand what occurs and to ensure that suitable housing, transitional supportive services, case management, and more are brought to bear on a dischargee.

The current State Hospital Discharge Policy states that: (1) each patient will have an initial discharge plan no later than 10 days following admission and the plan development will include family as well as related community agencies, and (2) each plan will identify a community mental health contact person and a state hospital discharge coordinator. In addition, each patient will have an Aftercare Plan also developed with the participation of a community mental health care person.

E. EMERGENCY SHELTER GRANTS

The **Emergency Shelter Grant program** will use HUD funds to improve the quality of existing emergency shelters for the homeless, meet the costs of operating shelters and provide essential social services to help prevent homelessness. Ninety-five percent of the funds received will be allocated to the 10 regional Human Resource Development Councils in Montana. Funds are distributed based on a formula allocation contained in Administrative Rules of Montana, ARM 53-10-502, pertaining to the Community Services Block Grant. This allocation reflects areas of poverty and general population.

Contact the Montana Department of Public Health and Human Services to obtain more information on and guidelines for the ESG program.

IV. NON-HOUSING COMMUNITY DEVELOPMENT

General-purpose local governments, towns and cities under 50,000 in population and counties, are eligible applicants for CDBG funds. Montana's three entitlement cities (Billings, Great Falls, and Missoula) are not eligible to apply for state CDBG funding since these cities receive their own allocations directly from HUD.

Funds distribution for the CDBG **Housing and Neighborhood Renewal** category and the **Public Facilities** category is based on annual grant competitions. Each local government may apply for one housing and neighborhood renewal project and one public facility project each program year. The program publishes application guidelines for each category each year.

The CDBG program sets aside funds for **Planning Grants** related to housing and neighborhood renewal and public facilities. The planning grants category is also based on an annual competition. Eligible applicants are the same as for the housing and neighborhood renewal and public facilities categories. Planning grants can be used for a variety of planning activities including the initial planning necessary to get a project under way; conducting other community planning activities such as preparing or updating a comprehensive plan or growth policy; or preparing a neighborhood redevelopment plan, a housing study, preliminary engineering or architectural report capital improvement plan or similar planning processes needed to help a community address critical needs.

The state does not elect at this time to set forth community revitalization activities as a principal grant activity. Local government grantees are urged to consider community revitalization activities as a complimentary activity to one of the basic eligible housing and neighborhood renewal or public facilities activities, such as doing neighborhood revitalization (demolition, clean-up, park development) in conjunction with a traditional housing rehabilitation project. In addition, planning for community revitalization is an eligible activity for a planning grant.

The **Economic Development** component of the CDBG program (CDBG-ED) receives one-third of the annual HUD allocation to the state. Currently, applications are received and funds are awarded on a continuous cycle until all funds are committed. Once all funding is obligated, project development and funding awards may occur in anticipation of the next year's funding allocation.

Eligible applicants are general-purpose local governments: towns and cities under 50,000 in population and counties. Montana's three entitlement cities are not eligible to apply. The local governments usually contract with local development organization to loan funds to for-profit businesses that agree to create jobs for low- and moderate-income persons.

Communities can continue to apply for funding throughout the program year until they have reached the maximum amount per local government per year. The applicant business must prepare a business plan and meet certain thresholds, including providing a 1:1 dollar match. Each application is reviewed by MDOC staff and a loan review committee that makes recommendations to the MDOC Director. The Director makes a final funding decision.

Project development and technical assistance are provided by the CDBG-ED staff and the MDOC Regional Development Officers (RDOs). The RDOs, assigned specific territories within the state, work one-on-one with local officials, local development organizations, and CDBG-ED staff from the project idea stage through the CDBG-ED application process. (See Appendix D, page D-17, for a map of the RDO areas.)

The Business Resources Division (BRD) normally sets aside CDBG-ED funds for economic development planning, capacity building, and technical assistance grants. The BRD establishes specific application policies each year that specify funding priorities, application procedures, and amounts available at that time for each subcategory.

HUD Section 108 Loan Guarantees will be available under exceptional circumstances. These loans will be available subject to the analysis and discretion of the MDOC Loan Review Committee and contingent upon the local government applicant and financing packager receiving assistance from an organization or individual consultant experienced with structuring Section 108 projects.

A. PRIORITY NEEDS

Non-housing community development needs include those activities, in addition to providing safe and decent housing, that will improve and develop viable communities. The Montana Community Development Block Grant Program strives to achieve the goal of providing suitable living environments through improvements in community infrastructure and expansion of economic opportunities. Below is the HUD-required Non-Housing Community Development Priority Needs Summary table, followed by information on many types of local government infrastructure needs and economic development needs, which were used to determine the priority need level.

NON-HOUSING COMMUNITY DEVELOPMENT PRIORITY NEEDS SUMMARY STATE OF MONTANA - FIVE YEAR PLAN 2005 – 2010			
PRIORITY COMMUNITY DEVELOPMENT NEEDS	PRIORITY NEED LEVEL High, Medium, Low, No Such Need	ESTIMATED DOLLARS NEEDED TO ADDRESS (in millions)	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS (FISCAL 1996) (in millions)
INFRASTRUCTURE IMPROVEMENT	H	\$1,612	
Solid Waste Disposal Improvements	H		
Waste Water Needs	H		
Water System Improvements	H		
Other Infrastructure	M		
PUBLIC SERVICE NEEDS	M	\$1,045	
PLANNING	M		
OTHER COMMUNITY DEVELOPMENT NEEDS	M		
Lead-based Paint/Hazards	M		
ECONOMIC DEVELOPMENT NEEDS	H	\$2,619	
TOTAL PRIORITY NON-HOUSING COMMUNITY DEVELOPMENT NEEDS	M	\$5,276	\$6.5

Note that the state has determined these priorities at the statewide level for non-housing community development. It is up to each locality to determine its own area(s) of highest need. The state reserves the right to make a determination of local need based on local analyses, studies and needs assessments, which may override the state's priority level.

B. SPECIFIC INFRASTRUCTURE AND PUBLIC FACILITY OBJECTIVES

Infrastructure is defined as the collective, long-term investment by citizens in facilities and installations necessary to their safety and convenience. Examples include transportation facilities (roads and bridges), utilities (water, wastewater and solid waste disposal), and public protection (fire stations and jails). All elements of infrastructure require periodic maintenance, expansion, and/or replacement.

Maintaining infrastructure in Montana presents a particularly great challenge because of the state's vast size and small population. There are not enough people to affordably share all the costs of infrastructure needs in the state. It is therefore crucial to identify specific needs and costs, so that priorities can be established and funding sought.

Not only vast size and a small population affect the effort to provide adequate infrastructure for the state's communities. In some communities, major improvements have not been undertaken since the public works projects of the 1930's. In these towns and counties, this infrastructure (water, sewer lines, roads, bridges, etc.) is now 60 years old or older, has reached the limit of its life span, and must now be replaced. Many Montana communities have simply lacked the cash resources to replace and upgrade outmoded public facilities to modern day standards.

The problem is further exacerbated by the significant population growth and development activity now occurring in many parts of Montana, especially the unincorporated areas (see map in Appendix D, page D-15). Additionally, in some rural areas, individual septic systems installed in the 1950's and 1960's are now failing and need to be replaced with central wastewater treatment facilities.

Not only is public health and environmental quality threatened, failing family septic systems and substandard water treatment and sewage facilities affect a community's economic and employment growth capacity or even stability. Over time, this causes an incremental shrinking of a community's economic base. The cumulative impact of decline in many communities is an overall decline in the state's economy and potential for economic growth.

Two surveys were conducted in past years: one of local government public facility infrastructure needs⁸⁰, specifically addressing needs within the direct management responsibility of Montana local governments and a second to address water and wastewater needs for unincorporated areas⁸¹ in the state that do not presently lie within an organized water or sewer district. Clearly, updated studies need to be undertaken by the state. However, until the studies are updated, the older studies contain the best information available for prioritizing infrastructure needs within the state.

⁸⁰ *Inventory of Infrastructure Needs*, Montana Department of Commerce, 1995

⁸¹ *Inventory of Water and Wastewater Needs for Unincorporated and Non-District Areas in the State of Montana*, Montana Department of Commerce, 1996

1. Challenges, Barriers and Obstacles

a. Analysis of Local Government Infrastructure Needs⁸²

- Water and Wastewater Systems: Public water systems are established in order that communities may be provided with dependable, safe, and convenient supplies of water for drinking, domestic uses, fire protection, and irrigation uses. Major components of water systems include supply (source), treatment, storage, pumping, and distribution facilities. Operating authorities typically consist of cities, towns, and districts (counties).

Wastewater systems, also known as sanitary sewer or sewage systems, convey and dispose of human and industrial waste, thus protecting the public from health hazards and nuisances. The primary components of wastewater systems are collection, pumping and treatment facilities. Local operating authorities typically consist of cities, towns, and districts (counties).

In 1999, the Montana Department of Environmental Quality (MDEQ) surveyed communities throughout Montana and determined that there is an immediate need of \$872 million dollars to build or rehabilitate community drinking water systems. In 2000, the MDEQ did another survey and determined that there is an immediate need of \$517 million dollars to build or rehabilitate community wastewater systems.

- Solid Waste Facilities: Solid waste facilities provide protection to human health and the environment by maintaining adequate management and disposal services for waste created by the general population. Components of solid waste facilities include collection, transfer, and disposal. Cities, counties, or private entities typically conduct solid waste management. Only needs of public entities such as towns, cities, and districts (counties) were covered by the report. Based on information provided by the MDEQ, 105 public solid waste facilities were in operation. In 1995, solid waste needs totaling \$13 million were quantified for Montana.
- Roads/Streets: Roads and streets built to federal, state and local standards provide a safe and convenient method of travel essential to basic industry, business, recreation, and emergency transportation as well as many other uses. Local governments are responsible for construction, reconstruction, or rehabilitation of all public roads and streets not under the jurisdiction of the state or federal government. There are an estimated 2,780 miles of city streets and 60,813 miles of county roads in Montana. In 1995, improvements of \$1.0 billion were identified to address the needs of these roads.
- Bridges: The Montana Department of Transportation (MDOT) identified 2,300 bridges in Montana greater than 20 feet in length, of which 583 needed repairs or replacement at an estimated cost of \$142 million in 1995. No estimate was prepared for county bridges 20 feet or less in length. However, total needs were likely in the tens of millions of dollars.

⁸² *Inventory of Infrastructure Needs*, Montana Department of Commerce, 1995

- Storm Sewers: Storm sewer treatment is needed for communities with populations over 50,000. However, minimal treatment is already achieved in many facilities via detention ponds. Storm drainage for most small communities typically centers along the highway corridor that passes through town. This often includes some curb and gutter, with a few catch basins and collection piping. Storm drainage improvements are not considered high priorities in most small communities. Six storm drainage projects were documented at an estimated cost of \$31 million. It was likely that the actual needs for storm drainage facilities in 1995 exceed \$100 million.
- Fire Stations: Fire stations provide not only a center for emergency vehicle and equipment storage but also a center for emergency personnel to gather and train. In 1995, there were 344 fire departments in Montana with approximately 9,600 fire fighters. Of these, only about 400 were full-time, paid fire fighters. Montana is experiencing a crisis with its fire protection facilities due to rapid growth in the western part of the state, particularly in remote, wooded areas that are difficult to service. The situation is currently compounded by a multi-year drought throughout much of the state. The estimated cost in 1995 of addressing Montana's fire station needs was \$35 million, not including fire-fighting equipment.
- Police Stations/Law Enforcement Centers: Police stations and law enforcement centers are integral to the public's protection. Centrally located structures are needed to dispatch emergency personnel and provide for working and training environments. Needs for these facilities were estimated at \$42 million in 1995.
- Jails: Jails exist to protect the general public from real and perceived dangerous persons who pose a threat to society. Jails are used as holding facilities for persons awaiting hearings or trials and for prisoners sentenced to limited terms. Jail construction and operation standards are designed to protect society and afford constitutional rights to prisoners. These restrictions, along with increasing operation and maintenance costs, are tending to drive local governments toward plans for regional facilities rather than construction of new jails. In 1995, an estimated \$23 million was needed to address the identified needs for jails in Montana.
- Handicapped Accessibility for Public Facilities or Buildings: In 1990, federal legislation was enacted which has become known as the Americans with Disabilities Act (ADA). The ADA requires that all facilities or buildings be accessible to the physically impaired. Examples of areas requiring modifications for accessibility are building entrances and exits, different floor levels, and restrooms. ADA requirements are enforced on a federal level with no jurisdiction available to state and local entities. Thus, if a violation is noted, a complaint must be filed with the U.S. Department of Justice. At present, the dollars required to meet the needs for this infrastructure component cannot be quantified. Although the ADA has been in effect for a number of years now and some local governments have made strides toward complying with the ADA, the requirements are still not well understood by some public entities. Public awareness and enforcement will likely be required before actual needs are fully realized and estimated.

b. Analysis of Water and Wastewater Needs for Unincorporated Areas⁸³

The focus on funding for water and wastewater system improvements in Montana has traditionally been at the municipal and county district level. The problems and needs of the unincorporated, rural areas of the state not served by county water or sewer districts have often been overlooked. Small subdivisions, mobile home parks, and clusters of homes are essentially small communities that commonly have individual wells, on-site wastewater treatment (septic) systems, or both. Numerous factors have contributed to these areas experiencing problems with their water and wastewater systems.

In Montana, Implementing, operating, and maintaining rural water and wastewater systems is a big challenge due to the state's vast expanse and relatively small population. Often there is insufficient population in areas to affordably share all the costs of infrastructure needs. It is, therefore, crucial to quantify needs and costs in order to establish priorities and seek funding assistance. In 1996, all 56 counties in Montana were asked to respond to a mail survey related to water and sewer needs in non-incorporated areas in the state. Forty counties responded, and based on that information, it was estimated that more than \$265 million would be required to address the water and wastewater needs of the non-incorporated, non-districted areas of the state. However, it was likely that the estimate was significantly understated since the information was obtained from only 40 counties. Assuming the 16 non-responding counties were similar in terms of need to the 40 that responded, the projected infrastructure requirements could have been understated \$110 million. Thus, in 1996, the actual water and wastewater needs of unincorporated or non-district areas of Montana could have ranged from a low of \$265 million to a high of \$375 million, as seen in the following table.

WATER & WASTEWATER COST ESTIMATE SUMMARY - 1996	
NEEDS FOR UNINCORPORATED AREAS OF MONTANA	
Water Systems Needs	
81 Water Systems Identified	\$ 80,000,000
30% Engineering/Legal/Acquisition/Contingencies/Etc.	<u>\$ 25,000,000</u>
Subtotal	<u>\$ 105,000,000</u>
Wastewater System Needs	
92 Wastewater Systems Identified	\$ 122,000,000
30% Engineering/Legal/Acquisition/Contingencies/Etc.	<u>\$ 38,000,000</u>
Subtotal	<u>\$ 160,000,000</u>
TOTAL FOR 40 COUNTIES	\$ 265,000,000
ESTIMATES FOR 16 ADDITIONAL COUNTIES	<u>\$ 110,000,000</u>
TOTAL RURAL MONTANA NEEDS	\$ 375,000,000

Only water and wastewater needs for areas with potential projects were identified. Projects already under way or funded, but not yet under construction, were not included. The questionnaire requested information on areas that may need a central water and/or

⁸³ *Inventory of Water and Wastewater Needs for Unincorporated and Non-District Areas in the State of Montana*, Montana Department of Commerce, 1996

sewer system within 10 years. Compliance with federal, state, and local design standards was considered. Unless a response indicated that water or wastewater systems were currently acceptable, cost estimates were prepared for implementation of new central systems for both.

While some of these water and wastewater needs have been addressed in the intervening years, it is important to note the effect that increasing population, new federal, state, and local design standards, and the steadily increasing cost of construction have had on the cost of implementing, operating, and maintaining rural water and wastewater systems.

c. Location, Growth and Provision of Infrastructure to Serve Affordable Housing

Decisions as to where new housing growth will occur, whether occurring within the boundaries of our incorporated cities and towns or in outlying areas, have a great influence on the ability of Montana's local governments to provide infrastructure for and related services to new developments. One of the goals of the Montana Consolidated Plan is to analyze this aspect of housing affordability. MDOC staff conducted a study to evaluate where new growth is taking place and to determine what effect the location of growth has on Montana's goals to provide affordable housing.⁸⁴ (See the map on page D-15 in Appendix D.)

The availability of an adequate infrastructure system is crucial to the success of efforts to provide affordable housing and livable communities for all Montanans. Local governments must have the capacity to provide safe drinking water, to treat wastewater, to accommodate storm water runoff, to construct streets and sidewalks, and to provide necessary public facilities in order to make a community livable, as well as affordable. The extent to which the cost of this infrastructure must be borne, either directly or indirectly, by a homebuyer rather than by the community at large plays a significant role in determining the sale price of a home.

State law provides encouragement for Montana local governments to develop policies to guide community growth. The 1999 Montana Legislature updated an old tool for community development and land use planning – the comprehensive plan or master plan. Counties, cities, and towns have been authorized to adopt master plans, but under the new law, these plans (now termed “growth policies”) must meet certain minimum requirements. The specific requirements for the content of community growth policies are set forth in section 76-1-601 of the Montana Code Annotated. One of the key elements is the preparation of a strategy for development, maintenance, and replacement of public infrastructure.

⁸⁴ Contact the CDBG Program at (406) 841-2770 to obtain a complete copy of the study.

LOCATION OF GROWTH MONTANA POPULATION U.S. Census Bureau						
AREA	1970	1980	1990	2000	30-year growth rate 1970-2000	10-year growth rate 1990-2000
Incorporated Cities & Towns	427,850	437,273	453,884	484,384	13.2%	6.7%
Unincorporated Areas	266,559	349,417	345,181	417,811	56.7%	21.0%
TOTAL MONTANA	694,409	786,690	799,065	902,195	29.9%	12.9%

The provision of infrastructure is complicated by many Montanans choosing to build homes outside of the boundaries of incorporated cities and towns, which have historically supplied the infrastructure and accompanying services for new homes built within the state. Increasingly, for a variety of reasons, in many counties, most new housing is located in unincorporated areas outside city limits and towns. In many cases, the only vacant, developable lots available at an affordable price for low- and moderate-income families are located in outlying, unincorporated areas. County governments and special districts have now been thrust into a new role of providing infrastructure and services for residential development, with all the accompanying financial and management challenges that go along with paying for and maintaining the necessary public works.

How will this trend of new residential growth in unincorporated areas affect the ability to provide a wide variety of housing at an affordable price for all Montanans? The cost of infrastructure can often represent up to one-third of the purchase price of a home's building site or lot. In some cases, when development occurs in outlying areas where land is initially cheaper and limited community infrastructure is provided, homebuyers end up paying much higher transportation and commuting costs that represent hidden long-term housing costs, in addition to the on-going, monthly mortgage payment.

Communities that attempt to provide the infrastructure for new residences contiguous to existing development or that seek to encourage the "in-fill" of existing, vacant lots, in many cases are faced with the financial challenge of replacing aging infrastructure or sharing in the costs with developers to attempt to keep housing prices affordable.

2. Priority Public Facility Needs Objectives

➤ Objective: Provide Community and Development Opportunities to Low- and Moderate-Income Residents and Strengthen Communities within the State

▪ Analysis

Infrastructure needs across Montana vary widely. Many of Montana's rural communities simply do not have facilities such as community buildings, fire halls, medical clinics, and hospitals, or the facilities they do have are inadequate. Because it may be lacking in one or more of these facilities, a community can be in jeopardy of losing its economic base to other communities that can provide the facilities and the services.

At the same time, many communities have either outgrown the water and wastewater systems available within the community or the current systems are deteriorated to the point where they must be replaced or updated. Some systems may not longer meet state and federal standards set for them.

Obstacles to addressing community development needs within the state include:

- An out-of-date statewide public facility and infrastructure needs survey;
- Vast geographic distances;
- Vast differences in needs around the state and the overall range in population density, which complicate assessments of degree and type of need;
- Rapid rates of growth in some parts of the state in unincorporated areas, with limited or no services available, versus incorporated areas;
- The lack of sufficient resources to address all the needs; and
- Federal requirements tied to CDBG funding. Some communities in need are not willing to fulfill the paperwork and compliance requirements and will try to find other means to avoid the “red tape”, including simply not pursuing a given project, depriving the community and its low- and moderate-income residents of the benefits of the project.

As a state agency administering non-housing community development programs, the MDOC does not prescribe to local governments the priority needs within their communities because the needs identified and prioritized at the state level may not retain a similar priority rating for implementation at local levels. All needs in Montana are great. The statewide priority need levels described in the Non-Housing Community Development Priority Needs Summary table represent only a general indication of needs throughout Montana.

Faced with the overwhelming demand for non-housing community development, the state will implement programs and deliver resources to in-need populations around Montana, in an attempt to continually minimize the state’s non-housing community development needs. No single action can meet the specific non-housing community development objectives of any given community. Nevertheless, the MDOC is committed to moving forward with the following non-housing community development objectives and actions.

■ **Actions:**

- Update the statewide public facility and infrastructure needs survey or determine another acceptable method of quantifying the enormous need.
- Provide annual planning grants to identify overall community development and housing and neighborhood renewal needs necessary to get a project under way or to conduct other important community planning activities such as preparing or

updating a comprehensive plan or growth policy; preparing a neighborhood redevelopment plan; preparing a preliminary engineering or architectural report, capital improvement plan, or similar planning studies needed to help a community address critical needs.

- Continue to provide technical assistance to communities to encourage them to access CDBG funding and to ease compliance with the federal regulations tied to CDBG funding.
- Continue to market the resources available to build affordable infrastructure/public facilities by continuing to participate in the W₂ASACT public facility workshops. The workshops are designed to familiarize local governments with federal and state low interest loan and grant programs that are available to assist local government and water and sewer districts with financing for water, sewer, and solid waste improvement projects. At least two workshops per year will be held in different parts of the state.
- Continue to support the other programs administered by the Community Development Division of the MDOC, which are critical to assisting local governments in meeting their infrastructure needs.
 - In May 2004, the Treasure State Endowment Program (TSEP) received 47 applications from counties, cities and towns, tribal governments, and water and sewer districts for construction project grants. Over \$58 million in matching construction grants has been awarded to 155 local governments since 1993.
 - The Montana Coal Board has been an active participant with local governments in coal-impacted areas. During 2004 and 2005, 19 grants were awarded to local governments, totaling over \$1.4 million.
 - The Hard Rock Mining Impact Board has been active assisting local governments to mitigate the fiscal impacts on local government services and facilities due to new large-scale hard rock mining development.
- Continue to actively participate in other W₂ASACT activities, including:
 - Periodically updating the *Uniform Application for Montana Public Facility Projects*, the streamlined, common application form developed in 1997 that is used by six state and federal public facility funding programs in Montana;
 - Making the on-line version of the *Uniform Application* more “user friendly”;
 - Developing a uniform method of tracking project expenditures for infrastructure projects funded by multiple agencies;
 - Developing a listing of infrastructure projects throughout Montana and the funding sources and amounts involved in the projects;
 - Creating a 12-minute video to explain the basics of funding a public facilities project and a second short video to describe the process of completing an infrastructure project from beginning to end;

- Working on a standard supplemental conditions section to be used in bid documents that will be acceptable to all federal and state programs;
- Working on a common environmental review process that would be acceptable to all programs;
- Conducting out-reach to tribes.
- Continue to fully award all CDBG public facility and planning grant funds.

C. SPECIFIC ECONOMIC DEVELOPMENT OBJECTIVES

1. Challenges, Barriers, and Obstacles

Volume I of the *Economic and Demographic Analysis of Montana*⁸⁵ presents and analyzes Montana economic data by county including income and poverty data from the U.S. Census Bureau, employment, earnings and income data from the U.S. Bureau of Economic Analysis (BEA), and labor force statistics from the Montana Department of Labor and Industry (MDOLI) and the U.S. Bureau of Labor Statistics.

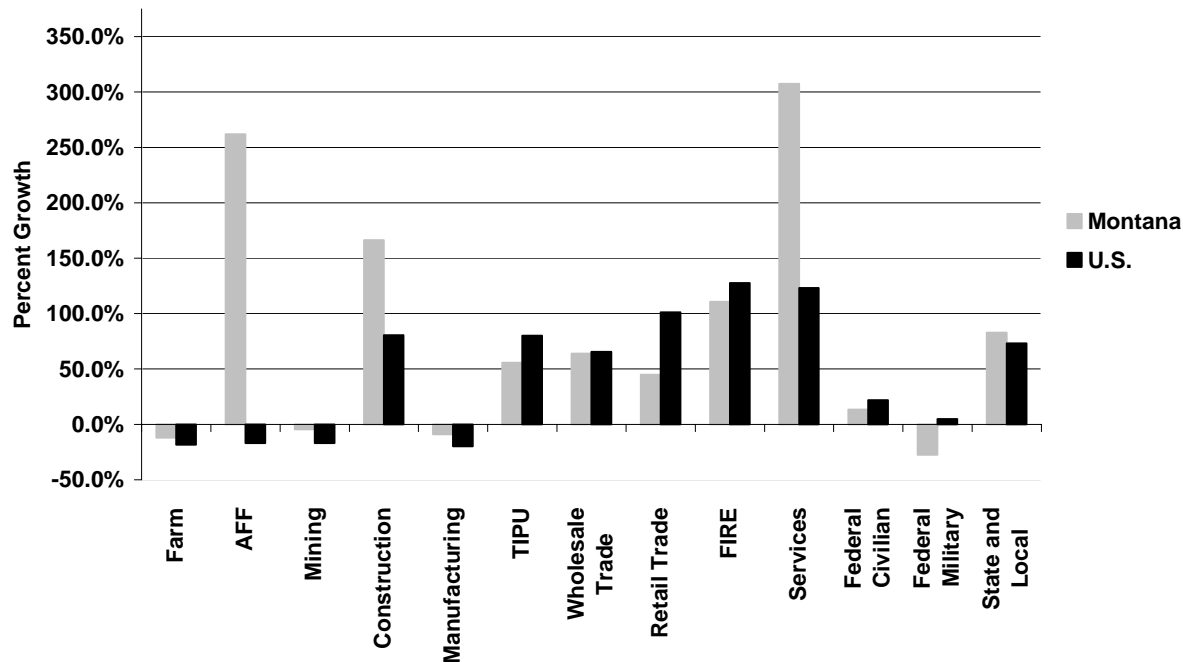
In 2003, Montana's per capita personal income (PCPI)⁸⁶ was \$25,775, was ranked 45th in the U.S., and was 82 percent of the national average of \$31,459. The 2003 PCPI reflected an increase of 4.2 percent from 2002, compared to the national increase of 2.2 percent. Since 2000, Montana's PCPI has increased an average of 4.2 percent annually. In 1993, Montana's PCPI ranked 41st in the U.S.; it has been below 40th since 1984.

Overall, the Montana economy has become more diversified over the past decade, shifting toward the agriculture, forestry and fishery, construction, retail trade, and service industries and away from mining. These shifts in the economy may cause Montana to respond more rapidly in the future to the changing economic conditions nationwide. The chart below shows the rate of growth of the different industry sectors in Montana versus nationwide. The chart was prepared using BEA data.

⁸⁵ *Economic and Demographic Analysis of Montana*, Volume II, Demographic Analysis, Center for Applied Economic Research, Montana State University-Billings, December 2004.

⁸⁶ Per capita personal income (PCPI) is total income divided by total population.

**Montana vs. United States
Growth by Industry Sector
1969-2002**



AFF = agriculture, forestry and fishery TIPU = transportation, information and public utilities
FIRE = finance, insurance and real estate

Montana's unemployment rate has dropped 20 percent over the past eight years; much of the job growth and available jobs continue to be in low-paying industries such as agriculture, forestry, and fishery, retail trade, and services. However, the finance, insurance, and real estate industry has shown significant job and earnings growth. Some counties have enjoyed solid employment growth while some counties have continued to languish. Montana has an educated workforce, but many workers continue to be "underemployed". While the MDOLI estimates that the majority of Montana's jobs require a two-year degree or less, 87.2 percent of all Montanans are high school graduates, 55.9 percent have at least some college, and 30.2 percent have an associate degree or higher. Many Montanans are overqualified for their job, taking into consideration their level of education versus that required for the job. When experience and work-related skills are considered, more people become overqualified for their job.

The state's per capita personal income growth has outpaced the national average; however, it is still among the lowest levels in the nation. Unearned income sources continue to grow for Montana's families, and have grown twice as fast as wage income. Much of the disparity in per capita income between Montana and the United States can be attributed to low wages and low-paying industries in the state.

The following chart, using BEA data, compares the weighted average real (adjusted for inflation) wage rate for industries in Montana compared to the U.S. While Montana's

wages were only 11 percent lower than the U.S. during the period from 1979 to 1981 (which corresponds to the period that mining employment was at an all-time high in Montana), they were 40 percent lower than the U.S. in 2003.



Although Montana's overall poverty rate has dropped 0.5 percentage points over the past 13 years (128,355 persons in Montana were under the poverty level in 2000), in part due to the growth in unearned income and in part due to the growth in personal per capita income, the number of Montana's families in poverty has increased since 1990; from 19,833 families under the poverty level in 1990 to 25,004 families under the poverty level in 2000. The largest increases were seen in the married couple with children and the female householder with children categories. Based on Census 2000 data, higher poverty rates are concentrated along the northern Hi-line and in the eastern part of the state.

In the 2001 Legislative Session, former Governor Judy Martz proposed the formation of a statewide office to coordinate economic development. With legislative endorsement, the Office of Economic Opportunity was created within the Governor's office. Its mission is to guide the state's economic development efforts to create a stronger, more diversified economy in Montana.

Governor Martz formed an economic advisory group comprised of a small number of leaders from throughout the state. This advisory group provided oversight for further development and implementation of Montana's plan.

The Governor's Office worked with citizens, Montana businesses, federal, state and local entities, and legislators to develop a strategic economic plan that represents the best ideas to move forward. The plan is called the **Governor's Office of Economic Opportunity Roadmap for a New Economy**⁸⁷, excerpted below.

For the past 60 years Montana's prosperity, relative to the other states in the union, has been steadily declining. Certainly there have been periods of short-term improvement, but those instances have proved fleeting and the long-term trend has been unmistakably downward. So why has this occurred?

Growth by itself has not been the problem. In the past 20 years, Montana's Gross State Product has increased more than 300%. At the same time, our per capita income has declined from a rank of 33 to 47 among the other states. It is the type of growth that has fueled our decline. Montana continues to grow fastest in jobs requiring lower worker skill levels that have correspondingly lower wages. This shift to lower paying jobs has had an unmistakable effect on our ability to provide good paying jobs for Montanans.

To affect long-term improvements in our economy, we will have to make some fundamental changes in the way we attract and retain businesses and create jobs. We must also be realistic about the time it will take to affect these changes. In the ten-year period between 1990 and 2000, the three states that most improved their per capita income did so by increasing their rank an average of 9 spots among the states. These are "best in class" results. For Montana to have achieved this level of performance, we would have to have seen our per capita income increase an additional \$2,000 in the previous decade – about 8.5% higher than what Montana actually did achieve.

In fact, it would have taken about 50,000 new jobs, each paying at least \$40,000 per year, to have the necessary impact.

To accomplish this magnitude of improvement in the next decade we will have to focus on objectives that go beyond just trying to create jobs directly. We need to identify the types of companies and jobs that, when created, reverberate through the economy and have a dramatic, synergistic effect on creating other companies and jobs. Beyond the important work of directly trying to attract and grow the right type of "high leverage" jobs, we must also identify those factors such as research and education that indirectly fuel significant wage growth over time. This takes a focused, coordinated strategy. Without such a strategy to focus all our

⁸⁷ Available at: <http://www.discoveringmontana.com/gov2/content/econdev/Roadmap.pdf>

efforts, we cannot hope to reach the level of economic prosperity our citizens deserve.

The plan focuses on the following major strategies:

- In order to focus our scarce resources, we must develop a strategy centered on Montana's existing and emerging industry clusters. We must first clearly identify these economic clusters and then concentrate on growing these interrelated groups of companies. This will require that we begin to focus our other supporting programs (financial, workforce, regulatory, technical support, etc.) on growing these clusters.*
- The availability of a skilled workforce has become one of the most important issues for attracting and retaining businesses that provide higher paying jobs. Workforce skill level is a key driver of innovation and productivity improvement across all industries. The success of Montana's economy depends on our ability to continuously raise the skill level of our workers. If our education and workforce training programs are not fully responsive to the rapidly changing needs of Montana businesses, we cannot hope to retain our citizens or grow our average income levels.*
- In an economy that continues to globalize, Montana firms (and all other economies in the United States) will have to compete with lower wage economies around the world. Our businesses must offset this global wage differential by utilizing better technology and higher skilled workers with higher wages. The way to compete is to have even higher productivity.*
- It is imperative that partnerships and active collaboration exist between higher education, state government, economic development groups and the private sector to accomplish this. One of the critical areas of collaboration includes research and commercialization of that research. Technology will fuel higher productivity and higher wages in all industries.*
- In highly innovative regions the private sector plays an active role in identifying challenges and working collectively with government to address them. We must make sure Montana's government has an organizational structure to achieve this collaboration and proactively support business growth across all industries over the long-term.*
- Montana must create and maintain a competitive business environment where companies that utilize Montana worker skills and technology can prosper—or they will simply exit the state. In Montana, most businesses are small businesses and a better business climate with a competitive tax and regulatory structure will insure these companies remain in the state as they grow.*

- *Montana must have a comprehensive and long-term attraction strategy to target and attract industries that support our industry clusters. This strategy will serve to highlight Montana's competitive advantages to businesses and individuals outside the state of Montana and attract new companies that support our existing businesses.*

2. Priority Economic Development Objectives

Based on years of public comment, enforcement of federal program objectives, various studies conducted for the program and on economic development, the program's objectives for assisting business development in Montana are:

- Increase viable economic development projects that promote investment of private capital, expansion of local tax bases, and creation of permanent year-round jobs principally for low- and moderate-income Montanans;
- Increase economic activity that adds value to a product through manufacturing, refining, processing or packaging, especially those activities that involve Montana's natural resources;
- Increase economic activity that creates new wealth in Montana by selling the majority of its products outside of Montana, by effectively substituting goods previously produced outside of Montana with goods produced in Montana, or by distributing Montana-made goods;
- Increase service companies such as consulting, engineering, or other companies that sell their services predominantly (greater than 50 percent) outside of Montana;
- Allow local communities to identify their own needs and develop their own initiatives;
- Assist businesses and communities in achieving prosperity by using program resources to leverage other private and public resources;
- Assist new and expanding businesses with employee training needs;
- Assist micro-enterprise development through technical assistance funding;
- Assist communities and small businesses in gaining access to federal funding for research and development (R&D) through the state of Montana Small Business Innovation Research (SBIR) program;
- Place a priority on projects that create higher paying jobs;
- Fund more high-technology businesses and manufacturing operations, including value-added agricultural products, based on current demand;
- Help create over 200 jobs per year, of which more than 51 percent will be held by or made available to low – and moderate-income persons; and
- Leverage \$12 to \$13 of other funds for each \$1 of program funds.

■ Actions/Resources

- Community Resource Team Assessments: The CDBG programs contracted with the Montana Economic Developers Association (MEDA) to provide technical assistance to Montana communities by conducting community resource team assessments. Using a community-based planning and assessment process, resource teams are comprised of professionals in the areas of economic and community development, health, housing, workforce development, education, land use planning, grant writing, financing, telecommunications, emergency management services, and strategic planning. They assist communities in identifying their greatest community development needs.

At the request of a local government, a Resource Team will go to the community and conduct one to two days of questioning and information gathering that includes interviewing a large number of people representing various community groups and recording their responses. The Team compiles its results and categorizes responses, holds a community meeting to share the information that was gathered, and later provides the community with a written report (within four to six weeks). The final, written report includes recommendations from each team member based on the needs of the community. The report includes suggestions for accomplishing the goals of the community, possible sources of income and contacts, and implementation plans for community use.

The community is responsible for providing a community leader, logistical services (tour of the community, meals and lodging for the team, and a meeting room), and soliciting community participants. Community participants include political and religious leaders, members of the agricultural community, bankers, educators, major employers, REALTORS®, health care and social service providers, senior citizens, civic groups, students, and anyone with an interest in their community. The participants are asked about the major problems and challenges they see in their community, the major strengths and assets, and community projects they would like to see implemented in the next 2, 5, 10, or 20 years.

More than 12 community assessments are expected to be completed in 2004, with another 12 scheduled for 2005. For more information on Community Resource Team Assessments, go to:

<http://www.medamembers.org/resourceteams.php>

- The Montana Finance Center: The Business Resources Division maintains a database accessible on the Internet called *The Montana Finance Center*, which provides summary information for the most significant financing resources available from state, federal, and local institutions. The Montana Finance Information Center website is organized by source and point of application. Preference for organizational purposes is given to the actual level that provides funding to business and local governments. Direct web links are provided

wherever possible for direct connection to funding sources. The site has been constructed by the BRD to assist the businesses and communities of Montana in achieving economic prosperity, keeping in mind that the vision of prosperity to be achieved must be defined by the businesses and communities that are served. Access the *Montana Finance Center* is online at:

<http://www.mtfinanceonline.com/>

- Certified Regional Development Corporations: The 2003 Montana Legislature created the Certified Regional Development Corporations (CRDC) program. The legislative intent of the CRDC program is to encourage a regional approach to economic development that facilitates the efficient delivery of economic development programs by supporting regional capacity building.

CRDCs are responsible for helping local officials, communities and businesses “assess, plan, and facilitate action” within their regions. CRDCs are required to have the support of all counties and a majority of the incorporated cities and towns in their region to obtain and maintain certification. CRDCs receive regional capacity building grants from the MDOC on an annual basis. In 2004, 12 CRDCs were formed and placed under contract to provide technical assistance within their respective regions. See Appendix D, page D-16, for a map of the CRDC regions.

D. ANTI-POVERTY STRATEGY [91.315(h)]

In Montana, the state’s plan for the Temporary Assistance for Needy Families (TANF) serves as the primary mechanism for reducing the number of poverty level families. The state of Montana operates Families Achieving Independence in Montana (FAIM) to provide temporary assistance for needy families. The FAIM Project serves all political subdivisions in the state. In Montana, three tribes, the Confederated Salish and Kootenai on the Flathead Reservation, the Fort Belknap Indian Community, and the Chippewa Cree at Rocky Boy’s, have chosen to implement a tribal TANF plan. The TANF cash assistance program provides job readiness preparation, supportive services, and case management; vigorously pursues child support; and assists in the development of community resources as a means to help families reach self-support.

TANF cash assistance program participants are considered eligible for Medicaid coverage if they meet Medicaid eligibility requirements. Adults have Basic Medicaid coverage; minor children, pregnant women, and disabled individuals receive full Medicaid coverage as stated in the Montana Medicaid State Plan. Participants are also considered categorically eligible for Food Stamp Program benefits.

Services funded with TANF funds include:

- Cash assistance for the purchase of basic needs such as food, clothing, housing and personal care items

- Work supports such as transportation, vehicle repair, and items that assist individuals in continuing employment or becoming employed
- Education and training, excluding tuition

For more information about the TANF/FAIM program, contact the Montana Department of Public Health and Human Services:

Hank Hudson, Administrator
Human and Community Services Division
1400 Broadway, Helena, MT 59620
PO Box 202952, Helena, MT 59620-2952
Phone: (406) 444-5901; Fax: (406) 444-2547
e-mail: hhudson@mt.gov

or go to the website at:

<http://www.dphhs.mt.gov/aboutus/divisions/humancommunityservices/relatedtopics/index.shtml>

E. LOW INCOME HOUSING TAX CREDIT COORDINATION [91.315(k)]

The low income housing tax credit is available under Section 42 of the Internal Revenue Code of 1986. The credit is a federal income tax credit for owners of qualifying rental housing, which meets certain low income occupancy and rent limitation requirements.

Except for certain buildings substantially financed with tax-exempt bonds, an owner must first obtain a credit allocation from the appropriate state agency before claiming the tax credit. The Montana Board of Housing (MBOH) is the state agency that allocates the tax credits for housing located in Montana. The 2004 per state resident amount of tax credit allocated annually for housing was limited to \$1.75, with a minimum cap. In 2005, Montana, which receives the minimum cap because of its low population, will receive an estimated \$2,125,000 plus any inflation factor the IRS may calculate.

Low Income Housing Tax Credits (LIHTC) are normally allocated by the MBOH to applicants with the highest point scores. This is based on the information submitted within their application, market study, other information obtained by MBOH staff, and justification with support documentation. At or before the allocation is made, the applicant solicits an investor who would purchase these tax credits.

The Section 42 Low Income Housing Tax Credit program has been used in conjunction with HOME and CDBG in several projects in Montana. These sources of funding have provided gap financing to allow for rents to be kept at respectable levels. In past years and going forward, staff from all three sources of financing have traveled around the state to provide information on their respective programs and discussed how they can be fitted together. Each program has specific rules and regulations and developers are taught what those differences are and how those differences will affect on-going compliance monitoring. LIHTC, HOME, and CDBG staffs have been working on a plan to determine how compliance monitoring can be coordinated and combined.

A number of the tribal housing authorities in Montana have applied for and received tax credits to use in conjunction with their Native American Housing Assistance and Self-Determination Act (NAHASDA) funds. The combination of the private dollars received for the use of the credits and the NAHASDA funds have proven very successful in building much needed housing on the reservations.

LIHTC has also been successfully combined with USDA Rural Development 515 and 538 funding on several projects. Again, the influx of private dollars into a project has substantially benefited the tenants by allowing rents to be kept at a more livable level. Staff of the Montana Board of Housing will continue to strive to work with the various other programs to insure that Montanans have safe, decent, and affordable housing.

For more information about Montana's LIHTC program, contact the program at:

Montana Board of Housing
Multi-Family Programs
PO Box 200528
Helena, MT 59620-0528
Phone: (406) 841-2840; FAX: (406) 841-2841

or go to the Montana Board of Housing's website at:

http://housing.state.mt.us/Hous_BOH_MF_Apps.asp

V. NON-HOMELESS SPECIAL NEEDS

A. NON-HOMELESS SPECIAL NEEDS ANALYSIS

1. Elderly and Frail Elderly

As the Baby Boom generation (those born between 1946 and 1964) reaches retirement age, the growth of the elderly population (65 and over) is expected to accelerate rapidly. The proportion of Montana's population classified as elderly is expected to increase from 13.4 percent in 1995 to 24.4 percent in 2025⁸⁸. In Montana, the elderly demographic transformation over the next several years raises concerns about future implications for state and federal governments. The increase in Montana's aging population will have significant impact on the state. According to the 2000 Census, 13.4 percent of Montanans are over age 65, higher than the national average of 12.4 percent. At 9.4 percent of Montana's total population, the 55 to 64 age group is also higher than the national average, 8.6 percent. The 55 to 64 years and the 65 and over age categories also showed increases from 1990 to 2000 that were higher than the national average, with the 65 and older age group increasing by 13.6 percent and those aged 55 to 64 increasing by 24.6 percent. In comparison, the national increase in these age groups was only 12.0 percent and 14.8 percent, respectively.

- ☐ At 13.4 percent, Montana has the 14th highest percentage amongst states for people 65 years of age or older.
- ☐ Montana is 17th in percentage of people 85 and over.
- ☐ The 2000 census showed Montana had 162 people who were 100 years old or older. There were over 50,000 people in the U.S. who were 100 years old or older.⁸⁹
- ☐ By 2025, the percentage of Montanan's people 65 years of age or older is expected to rise to 24.4 percent, ranking it third in the nation. The percent of the population 85 and older is expected to be 3.1 percent, moving the state's ranking to fourth.⁹⁰ (See table on page 101.)

The lack of affordable housing is a problem for many of Montana's senior citizens. The housing industry has not grown along with the past rise in population. In fact, the gap between Montana's lower income citizens and access to affordable housing is widening. Poverty continues to grow. Montana's poverty rate was estimated to be 14.1 percent in 2000, 13.3 percent in 2001, and 13.5 percent in 2002. This translates into more than 128,355 Montana citizens at or below the poverty lines, as defined by the federal

⁸⁸ *Measuring the Years: State Aging Trends & Indicators Data Book*, Center on an Aging, Society Health Policy Institute, Georgetown University for the National Governors Association Center for Best Practices, August 2004; <http://www.nga.org/center/databook04/>

⁸⁹ *The State of Aging in Montana 2001*, MT Department of Public Health & Human Services

⁹⁰ *Measuring the Years: State Aging Trends & Indicators Data Book*, Center on an Aging, Society Health Policy Institute, Georgetown University for the National Governors Association Center for Best Practices, August 2004; <http://www.nga.org/center/databook04/>

government.⁹¹ Housing prices continue to rise making it more difficult for individuals to afford their own homes. The increasing pressures on the rental markets, in turn, drive up housing prices.

The demand for assisted living facilities is determined by the size of the elderly population in need of services offered in the residences, the level of income (or family resources) available to the senior, and other types of senior living available to the person. In Montana, the demand is substantial. Unfortunately, Montana's low-income elderly population has the greatest need and has the least capability for purchasing the assisted living service. The cost to live in an assisted living facility is extremely high.

In the next 30 to 40 years, the state will experience a dramatic increase in the number of elderly persons in our population, as well as an increase in the proportion of elderly persons. While this growth can be seen as great achievement in the effort to extend human life, it also presents challenges as well as opportunities for Montana government in planning to meet the needs of an aging society, especially in terms of critical services like health care, social service, and transportation.

⁹¹ *Economic and Demographic Analysis of Montana*, Volume I-Economic Profile, enter for Applied Economic Research, Montana State University-Billings, January 2005.

Ranking of the Proportion of the Population, by State, 2000 and 2025⁹²

Age 65 and Older					Age 85 and Older				
State	Rank		Proportion		State	Rank		Proportion	
	2000	2025	2000	2025		2000	2025	2000	2025
Florida	1	1	17.6	26.3	North Dakota	1	2	2.3	3.6
Pennsylvania	2	17	15.6	21.0	Iowa	2	3	2.2	3.1
West Virginia	3	2	15.3	24.9	South Dakota	3	6	2.1	2.9
Iowa	4	7	14.9	22.6	Florida	4	5	2.1	3.0
North Dakota	5	6	14.7	22.8	Rhode Island	5	14	2.0	2.5
Rhode Island	6	34	14.5	18.8	Nebraska	6	8	2.0	2.8
Maine	7	12	14.4	21.4	Pennsylvania	7	16	1.9	2.4
South Dakota	8	9	14.3	21.7	Kansas	8	21	1.9	2.3
Arkansas	9	5	14.0	23.9	Connecticut	9	13	1.9	2.5
Connecticut	10	38	13.8	17.9	Massachusetts	10	19	1.8	2.4
Nebraska	11	16	13.6	21.0	Maine	11	39	1.8	2.0
Massachusetts	12	36	13.5	18.1	Wisconsin	12	11	1.8	2.5
Missouri	13	25	13.5	20.1	Missouri	13	25	1.8	2.2
Montana	14	3	13.4	24.4	West Virginia	14	12	1.8	2.5
Ohio	15	28	13.3	19.6	Minnesota	15	10	1.7	2.5
Hawaii	16	48	13.3	15.9	Arkansas	16	22	1.7	2.3
Kansas	17	30	13.3	19.5	Montana	17	4	1.7	3.1
New Jersey	18	40	13.2	17.3	Oregon	18	7	1.7	2.9
Oklahoma	19	8	13.2	21.9	Oklahoma	19	9	1.7	2.7
Wisconsin	20	21	13.1	20.5	Vermont	20	34	1.6	2.1
Alabama	21	20	13.0	20.5	New York	21	42	1.6	2.0
Arizona	22	13	13.0	21.3	New Jersey	22	36	1.6	2.0
Delaware	23	32	13.0	19.2	District of Columbia	23	47	1.6	1.7
New York	24	45	12.9	16.5	Ohio	24	20	1.6	2.4
Oregon	25	4	12.8	24.2	Illinois	25	38	1.5	2.0
Vermont	26	22	12.7	20.4	Alabama	26	37	1.5	2.0
Kentucky	27	14	12.5	21.3	Mississippi	27	43	1.5	1.9
Indiana	28	31	12.4	19.2	Indiana	28	26	1.5	2.2
Tennessee	29	23	12.4	20.3	New Hampshire	29	30	1.5	2.1
Michigan	30	37	12.3	18.1	Hawaii	30	15	1.4	2.5
District of Columbia	31	49	12.2	14.0	Kentucky	31	40	1.4	2.0
South Carolina	32	19	12.1	20.7	Michigan	32	33	1.4	2.1
Minnesota	33	27	12.1	19.9	Tennessee	33	32	1.4	2.1
Illinois	34	44	12.1	16.6	Washington	34	23	1.4	2.3
Mississippi	35	29	12.1	19.6	Idaho	35	1	1.4	5.8
North Carolina	36	11	12.0	21.4	Wyoming	36	17	1.4	2.4
New Hampshire	37	33	12.0	19.0	Delaware	37	29	1.3	2.1
Wyoming	38	18	11.7	20.9	Arizona	38	27	1.3	2.2
New Mexico	39	43	11.7	16.9	Louisiana	39	35	1.3	2.0
Louisiana	40	35	11.6	18.4	North Carolina	40	24	1.3	2.3
Maryland	41	46	11.3	16.4	New Mexico	41	48	1.3	1.7
Idaho	42	10	11.3	21.5	Maryland	42	45	1.3	1.8
Washington	43	24	11.2	20.2	California	43	50	1.3	1.5
Virginia	44	39	11.2	17.9	South Carolina	44	28	1.3	2.1
Nevada	45	15	11.0	21.0	Virginia	45	41	1.2	2.0
California	46	50	10.6	13.0	Texas	46	46	1.1	1.7
Texas	47	47	9.9	16.1	Colorado	47	18	1.1	2.4
Colorado	48	26	9.7	20.1	Georgia	48	49	1.1	1.6
Georgia	49	42	9.6	16.9	Utah	49	31	1.0	2.1
Utah	50	41	8.5	17.2	Nevada	50	44	0.9	1.8
Alaska	51	51	5.7	10.4	Alaska	51	51	0.4	0.9

⁹² *Measuring the Years: State Aging Trends & Indicators Data Book*, Center on an Aging, Society Health Policy Institute, Georgetown University for the National Governors Association Center for Best Practices, August 2004

2. Veterans

Montana has a relatively large veteran population. As of 2000, veterans represented 16.2 percent of the Montana civilian population 18 years and over, compared to 12.6 percent for the nation. Montana has more veterans per capita than any other state except Alaska. Five counties had veteran populations in excess of 20 percent: Cascade, Lincoln, Mineral, Powell, and Sanders. Veterans were 12 percent of Montana's total population in 2000, comprising about 108,476 people.⁹³

Montana's 2003 Survey of the Homeless⁹⁴ revealed lower numbers of veterans among the homeless persons surveyed than national Department of Veterans Affairs (VA) estimates would indicate. National VA data indicates that nearly 25 percent of homeless adults are veterans, but in Montana, 17.8 percent (248 individuals) identified themselves as veterans.

- 65 of them were carrying a VA enrollment card or their discharge papers.
- 53 percent had served in Vietnam, Korea, or World War II.
 - 122 were in Vietnam between 1961 and 1975;
 - 9 were in Korea between 1950 and 1955; and
 - 1 was in World War II.

Among those surveyed, just 38 (2.7 percent) of homeless individuals and five (one percent) of homeless families surveyed were receiving VA benefits. Even so, just 70 (five percent) of the homeless individuals and 19 (3.7 percent) of the homeless families surveyed stated they needed help accessing VA benefits.

The VA is the only federal agency providing substantial hands-on assistance to the homeless. It has the largest network of homeless assistance programs in the country. VA provides outreach, conducts clinical assessments, offers medical treatment, and provides long-term shelters and job training. Homeless veterans in Montana receive outreach services including primary health care, mental health and substance abuse counseling and case management services at the Fort Harrison medical center outside Helena. Primary care is available to homeless veterans in community outpatient clinics with referrals to the medical center for specialized care. Partnerships with shelters, community-based outpatient clinics, and others were established and a referral network developed. Homeless veteran program coordinators from the medical center and the VA Regional Office routinely visit homeless shelters. From this referral network, homeless veteran program coordinators act as access points for homeless veterans seeking services.

⁹³ *Census 2000 Veteran Population in the U.S. and Puerto Rico By State*, available at: http://www.va.gov/vetdata/Census2000/CenData/states_vets.xls

⁹⁴ *Homeless in Montana: a report*, Montana Department of Public Health & Human Services, Intergovernmental Human Services Bureau, 2004, available at: http://www.dphhs.state.mt.us/homeless_in_montana.pdf

In federal fiscal year (FFY) 2003, the VA spent more than \$275 million serving Montana veterans. In FFY 2003, approximately 26,000 people received health care in Montana's VA facilities.⁹⁵

3. Persons with Disabilities (Mental, Physical, Developmental)

The U.S. Census Bureau provides numerous statistics on the disabled population. The data on disability status were derived from answers to long-form questionnaire items 16 and 17. Item 16 was a two-part question that asked about the existence of the following long-lasting conditions:

- (1) Blindness, deafness, or a severe vision or hearing impairment (sensory disability), and
- (2) A condition that substantially limits one or more basic physical activities such as walking, climbing stairs, reaching, lifting, or carrying (physical disability).

Item 16 was asked of a sample of the population five years old and over. Item 17 was a four-part question that asked if the individual had a physical, mental, or emotional condition lasting 6 months or more that made it difficult to perform certain activities. The four activity categories were:

- (1) Learning, remembering, or concentrating (mental disability);
- (2) Dressing, bathing, or getting around inside the home (self-care disability);
- (3) Going outside the home alone to shop or visit a doctor's office (going outside the home disability); and
- (4) Working at a job or business (employment disability).

Categories 17a and 17b were asked of a sample of the population five years old and over; 17c and 17d were asked of a sample of the population 16 years old and over.

For data which use a disability status indicator, individuals were classified as having a disability if any of the following three conditions was true:

- (1) They were five years old and over and had a response of "yes" to a sensory, physical, mental or self-care disability;
- (2) They were 16 years old and over and had a response of "yes" to going outside the home disability; or
- (3) They were 16 to 64 years old and had a response of "yes" to employment disability.⁹⁶

⁹⁵ Department of Veterans Affairs, Veteran Data and Information, Expenditure Data by Locality, available at: <http://www.va.gov/vetdata/GeographicInformation/>

⁹⁶ Census 2000 disability definition.

Census 2000 counted 49.7 million people or 17.7 percent of the total population as having some type of disability, per the definition above. Of Montana's population, 145,732 people or 16.2 percent of the total population had a disability in 2000. (See map of percent of disabled population age 5 and over by county in Appendix D, page D-14.) Rates by county range from a low of 15.5 percent in Sweet Grass to a high of 26.1 percent in Wibaux.

Overall, 19.7 percent of the disabled population was below the poverty level. This is higher than Montana's overall poverty rate of 14.1 percent. It is reasonable that the poverty rate is lower for those under 21, as many are cared for by parents or other adults. Nor is it surprising that the poverty rate is lower for those 65 years and older, as they are eligible for social security. The poverty rate is highest for those ages 21 to 64 years; typically this age group would be in the workforce although it is reasonable to assume that many disabled persons in this age group are unemployed or employed in very low paying jobs.

Poverty Status for Disabled Population by Sex and Age ⁹⁷									
2000 Census									
	Male			Female			Total Disabled Population		
	Total Disabled	Below Poverty Level	% of Disabled Population	Total Disabled	Below Poverty Level	% of Disabled Population	Total Disabled	Below Poverty Level	% of Disabled Population
5 to 15 years	5,139	1,387	1.8%	2,563	715	1.0%	7,702	2,102	1.5%
16 to 20 years	3,590	926	1.2%	2,812	903	1.3%	6,402	1,829	1.3%
21 to 64 years	46,649	9,138	12.1%	38,421	9,843	14.3%	85,070	18,981	13.1%
65 years & older	20,303	1,735	2.3%	24,981	3,857	5.6%	45,284	5,592	3.9%
Total Disabled Population	75,681	13,186	17.4%	68,777	15,318	22.3%	144,458	28,504	19.7%
Note: Total persons with disabilities of 144,458 reported with poverty statistics differs by 1,274 from total disabilities reported of 145,732 because poverty status was not determined for 1,274 disabled people.									
Economic and Demographic Analysis of Montana, Volume II, Montana Department of Commerce, December 2004									

While education enrollment was similar for disabled males and disabled females, education attainment was not. Other than an associate degree, males had higher attainment rates for all levels of education. The disabled population's attainment of a bachelors degree or higher was 7.2 percent, compared to 24.4 percent in the general population.

Persons with disabilities require supportive services in conjunction with the provision of affordable housing. Those persons with non-mobility related disabilities often require extensive special services, particularly those who are chronically homeless, chemically dependent, or mentally disabled. These individuals experience ongoing daily functioning difficulties because of their illness and many are unable to work due to their profound disabling illness.

⁹⁷ *Economic and Demographic Analysis of Montana, Volume II, Demographic Analysis, Center for Applied Economic Research, Montana State University-Billings, December 2004.*

The vast majority Montanans living in the community who are severely disabled rely upon Social Security Income (SSI) or Social Security Disability Income (SSDI) and other public entitlement programs to pay for their living expenses. Effective January 2005, SSI income in Montana increased from \$564 per month to \$579, or \$6,948 annually, for an eligible individual and from \$846 a month to \$869, \$10,428 annually, for an eligible couple⁹⁸.

The disabled population has a higher poverty rate and lower employment status than the general population. This, coupled with this population's special needs, makes it a challenge to provide safe, affordable housing for the disabled throughout the state.

According to the national study *Priced Out in 2002*⁹⁹, in 2002, SSI of \$545 per month, or \$6,540 per year, represented only 22 percent of the one-person average median income for the state of Montana. People with disabilities receiving SSI benefits are among the lowest income households in Montana. On average, the *Priced Out in 2002* study documents that people with disabilities living on SSI income (in 2002) would pay 73 percent of their income for the Montana average HUD Fair Market Rent levels for a one-bedroom unit. When the percentage of income spent on housing costs exceeds 50 percent, the household is considered to be "severely" rent burdened and have "worst" case needs for housing assistance. On a national level, it is estimated that 25 percent of the households in the United States with "worst case" housing needs are people with disabilities.

2002 HOUSING AFFORDABILITY IN MONTANA ¹⁰⁰						
State Statistical Area	SSI Monthly Pmt ^A	% SSI for 1-Bdrm	% SSI for Efficiency Apt. ^B	SSI as % Median Income	SSI as an Hourly Rate ^C	Housing Wage
Montana						
Billings	\$545.00	76.1%	65.5%	19.2%	\$3.14	\$7.98
Great Falls	\$545.00	75.8%	65.5%	22.3%	\$3.14	\$7.94
Missoula	\$545.00	76.9%	65.5%	20.7%	\$3.14	\$8.06
Non-Metropolitan Areas	\$545.00	71.5%	62.2%	23.6%	\$3.14	\$7.50
State Average	\$545.00	73.3%	63.4%	22.4%	\$3.14	\$7.69
^A Federal SSI benefit in 2002 for people with disabilities living independently in the community						
^B Percent of monthly SSI benefit needed to rent a modest studio apartment at HUD's Fair Market Rent in 2002						
^C SSI benefit expressed as an hourly wage for a full-time job						

In the absence of housing assistance, people with disabilities who rely on SSI income are likely to have few resources left over for food, medicine, and other necessary living expenses after housing expenses are paid. The result is that many will live in substandard housing, live in danger of becoming homeless, or in fact become homeless.

⁹⁸ Social Security Administration, available at: <http://www.ssa.gov/>

⁹⁹ *Technical Assistance Collaborative and Consortium for Citizens with Disabilities Housing Task Force*, May 2003, available at <http://www.tacinc.org/index/viewPage.cfm?pageId=37>

¹⁰⁰ *Ibid.*

Disability Services Division (DSD) of the MDPHHS assists Montanans with disabilities in living, working, and participating in their communities. The Disability Services Division may be summarized into four major functions: (1) vocational rehabilitation services, (2) institutional developmental disability services, (3) community developmental disability services, and (4) disability determination services.

The division provides or contracts for institutional care, residential services, home-based services to families, case management, and a variety of employment outcome-related services. These services include counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services to the blind, vocational rehabilitation training, independent living services, medical services, job placement, and supported employment. Developmentally disabled includes individuals with mental retardation, epilepsy, autism, or other neurological conditions that require treatment similar to those required by someone with mental retardation. In order to be considered a developmental disability, the disability must have originated before age 18 and have resulted in a substantial handicap of indefinite duration.

Vocational rehabilitation (VR) serves individuals with orthopedic, mental, visual, hearing, brain injury, and other disabilities. VR's mission is to promote work and independence for Montanans with disabilities. Vocational rehabilitation provides a broad range of services to assist, find, or maintain employment eligible for individuals with disabilities. The types of services provided are based on what an individual needs to get and keep a job. Services may include some of the following:

- Medical, psychological, and vocational evaluation services;
- Career counseling and guidance services;
- Medical or psychological services;
- On-the-job training, job coaching, business/trade school, college or other vocational programs;
- Job development and placement services;
- Rehabilitation technology (adaptive aids or equipment);
- Post employment services; and/or
- Referrals to other programs and services

Institutional developmental disability services: DSD is responsible for one state institution, the Montana Developmental Center (MDC) in Boulder, Montana. MDC is a residential facility providing 24 hour care for some individuals with either severe behaviors or severe self-help deficits. MDC provides habilitation services that include vocational training, self-help skills training, sex offender treatment, social skills development, recreation, nursing services, occupational and physical therapy and access to medical care.

Community developmental disability services include residential services. The Developmental Disabilities Program (DDP) contracts with private, non-profit corporations to provide services to individuals with developmental disabilities. These service programs are located in communities throughout Montana and provide an array of residential and work opportunities for adults, and family education and support services for children and their families, based upon individual preferences, needs and abilities. Programs include:¹⁰¹

- Children's Community Homes: These homes serve only children who cannot remain in their natural, foster, or adoptive homes. Five homes in the state serve 33 children who have serious physical and medical disabilities; many have extremely challenging behaviors. In addition to having a place to live, children residing in these homes receive assistance with activities of daily living and individualized skill acquisition training designed to assist the child to move toward greater independence and to become a participating member of the community.
- Adult Community Homes: A total of 293 adults who receive residential services are living in one of 46 community homes. As few as three and as many as eight persons may live in one of these homes. Supervision and training are provided to help these individuals become more independent in skills such as cooking, housekeeping, and the use of leisure time. In addition to having a place to live, individuals residing in these homes receive assistance with activities of daily living and individualized skill acquisition training designed to assist them to move toward greater independence and to become a participating member of the community.
- Intensive Community Homes: These homes serve adults who have few self-help skills or have challenging behaviors. These homes provide an intensive level of training and supervision with few residents (generally six) and a higher staff ratio. There are 316 individuals receiving intensive community home services in 43 homes statewide. In addition to having a place to live, individuals residing in these homes receive assistance with activities of daily living and individualized skill acquisition training designed to assist them to move toward greater independence and to become a participating member of the community.
- Senior Community Homes: These homes serve 35 elderly people. Training and assistance are provided with the primary purpose of maintaining adaptive skill levels. There are five senior community homes, each serving seven to eight individuals. In addition to having a place to live, individuals residing in these homes receive assistance with activities of daily living and individualized skill acquisition training. Emphasis is placed on socialization skills, leisure skills, community activities, and maintenance of self-help skills. Programs are designed to meet the need for a more relaxed and flexible schedule for older folks with emphasis on maintaining independence and participation as senior members of the community.
- Supported Living: Supported living services are individually tailored arrangements of resources and supports that enable people to live in more integrated and normal

¹⁰¹ Montana Department of Public Health and Human Services, Disability Services Division webpage: <http://www.dphhs.mt.gov/dsd/>, January 2005.

ways. Supported living might address the need for residential services, work services, transportation services or whatever combination of services an individual may require as identified through individualized assessment and the combination of resources available to meet identified needs. Currently, 553 Montanans receive supported living services. One example of a supported living arrangement might be a person who lives in an apartment with another person with a disability; they pool their service dollars in order to fund the supervision and assistance that they both need. In another example, staff visits individuals living in their own apartments as needed on evenings and weekends to provide assistance in living skills such as menu planning and money management. The key feature of supported living is the fact that the type of service provided is based on the individual's strengths, needs, and preferences, not on a preconceived model of service.

Disability determination services: DSD is also responsible for medical adjudication of all claims for Social Security Disability (SSDI) and Supplemental Security Income (SSI). The Disability Determination Services (DDS) works with the Social Security Administration (SSA) in administering the two disability programs. They use the same medical/vocational criteria for both programs for determining eligibility for benefits. SSDI is a monthly benefit paid to eligible individuals who cannot work due to serious physical or mental disability. SSI is a needs-based program that provides coverage for adults and children whose income and resources are below a specified level.

4. Addictive and Mental Disorders

The Addictive and Mental Disorders Division (AMDD) of the Montana Department of Public Health and Human Services provides chemical dependency and mental health services through three in-patient facilities and numerous behavioral health providers.¹⁰²

The Chemical Dependency (CD) Bureau provides a full range of in- and out-patient treatment and prevention services. The CD Bureau organizes and funds prevention activities and assesses Montana's need for chemical dependency treatment and prevention services. The Bureau also oversees chemical dependency treatment services, which are available through contracts with 23 state-approved programs. The CD Bureau provides a range of quality, effective services in the least restrictive, most appropriate community-based settings possible.

The Mental Health Services Bureau is responsible for all aspects of publicly-funded mental health services, including development, implementation, operation, oversight, evaluation, and modification of systems and programs. This bureau creates the policies, procedures, and systems necessary to ensure the efficient delivery of mental health services, as well as monitors, oversees, and evaluates implementation and operation.

¹⁰² Addictive and Mental Disorders Division 2003 Annual Report, Montana Department of Public Health & Human Services, available at:
<http://www.dphhs.mt.gov/aboutus/divisions/addictivementaldisorders/relatedtopics/2003annualreport.pdf>

In SFY 2003, AMDD administered mental health services for 24,600 Montanans:

- ✓ Medicaid mental health services for 8,673 children and adolescents and 10,779 adults; and
- ✓ Mental health services plan services for 231 children and adolescents and 5,005 adults.

Admissions to State Approved Programs by Region State Fiscal Year 2003						
Region	Number of Admissions			Percent Change from SFY02		
	Youth ^a	Adults	Totals	Youth	Adults	Totals
Western ^b	286	2,061	2,347	4.0%	7.2%	6.8%
Central ^c	190	2,118	2,308	-14.4%	14.1%	11.1%
Eastern ^d	169	1,447	1,616	-16.7%	12.4%	8.5%
Out of State / Unknown Residence	128	341	469	7.6%	1.5%	3.1%
State Totals	773	5,967	6,740	-5.6%	10.5%	8.3%
Note: Totals do not include admission to the Montana Chemical Dependency Center ^a Ages 0-17. ^b The Western Region includes Beaverhead, Deer Lodge, Flathead, Granite, Lake, Lincoln, Madison, Mineral, Missoula, Powell, Ravalli, Sanders & Silver Bow Counties. ^c The Central Region includes Broadwater, Blaine, Cascade, Chouteau, Gallatin, Glacier, Hill, Jefferson, Lewis & Clark, Liberty, Meagher, Park, Pondera, Teton & Toole Counties. ^d The Eastern Region includes Big Horn, Carbon, Carter, Custer, Daniels, Dawson, Fallon, Fergus, Garfield, Golden Valley, Judith Basin, McCone, Musselshell, Petroleum, Phillips, Powder River, Prairie, Richland, Roosevelt, Rosebud, Sheridan, Stillwater, Sweet Grass, Treasure, Valley, Wheatland, Wibaux & Yellowstone Counties						

a. In-Patient Facilities

- The Montana Chemical Dependency Center (MCDC), located in Butte, serves adults requiring in-patient treatment as defined by the American Society of Addiction Medicine. Community-based chemical dependency treatment programs screen for admissions to this facility. MCDC is the only 24-hour residential in-patient chemical dependency treatment facility in Montana. MCDC has 76 licensed beds, which include 70 treatment beds and six detoxification or medical beds. MCDC typically has a waiting list that can run to several weeks, and on average, there are 16 to 20 new admissions weekly. On an annual basis, MCDC serves 800 to 1,000 adults requiring sub-acute in-patient level of care, as defined by American Society of Addiction Medicine criteria. Seventy-four percent of all patients are suffering with co-occurring addiction and psychiatric disorders. Seventy-two percent of all admissions successfully complete treatment: 73 percent of males and 71 percent of females. The average length of stay is approximately 36 days.

SFY 2003 MCDC Statistics	
Who was served:	
Male	59%
Unmarried	75%
Average age for men	32
Average age for women	35
Women with dependent children.....	48%
Patients having some level of legal involvement	40%
Unemployed patients	83%
Males	87%
Females	79%
Patients having co-existing mental illness	74%
Patients homeless prior to admission	13 %
Patients living on incomes below the 2003 Federal Poverty level for one person (\$8,980)	
72%	
Race/Ethnicity	
Caucasian	79%
African American.....	1%
Native American.....	17%
Hispanic	3%
Primary drug of choice	
Alcohol	56%
Marijuana	11%
Methamphetamines.....	23%
Methamphetamine use:	
Caucasian male.....	33%
Caucasian female.....	38%
Native American patients	10%

- The Montana State Hospital (MSH), Warm Springs, the only public in-patient psychiatric hospital in Montana, serves people from across the state by providing publicly funded in-patient hospital services for adults with serious mental illnesses. The hospital is licensed for 174 hospital beds and 15 transitional care (group home) beds. More than 35 percent of the patient population is comprised of individuals diverted from the criminal justice system as a result of their need for psychiatric evaluation or treatment. The average daily census for SFY 2003 was 178, an increase of two over SFY 2002. Overcrowding has become a significant issue for the hospital and the licensed capacity of 189 patients was exceeded several times during SFY 2003.

By statute, the hospital can admit only those who are 18 years of age or older. In 2003:

- ✓ 70 percent of the patients at the MSH were male;
- ✓ 67 percent were there by civil involuntary commitment;
- ✓ 33 percent were there by forensic commitment; and
- ✓ 80 percent were between the ages of 18 and 49 on 6/30/2003.

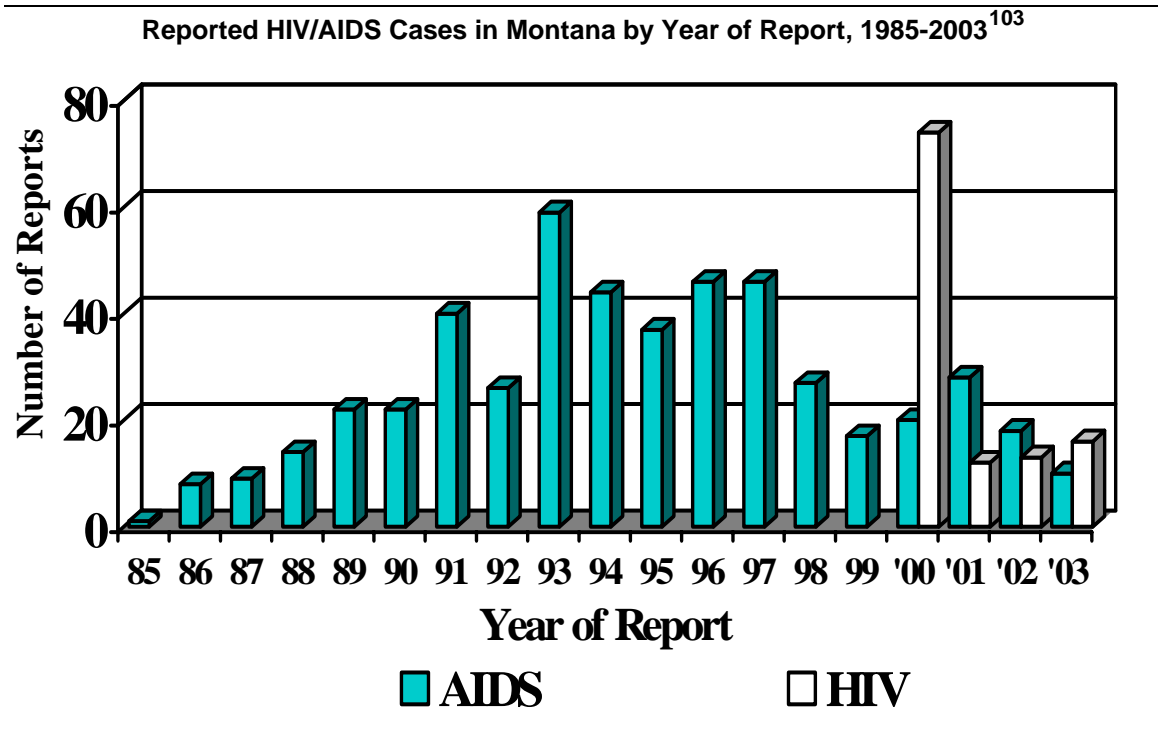
MSH Age Breakdown		
As of June 30, 2003		
Age	#	%
18 to 29	54	26%
30 to 9	53	26%
40 to 49	58	28%
50 to 59	23	11%
60 to 69	14	7%
70 to 79	4	2%
80 to 89	1	1%

- Montana Mental Health Nursing Care Center, Lewistown, is a licensed, Medicaid-certified residential facility that provides long-term care and treatment unavailable in the community for people with mental disorders. In general, residents of the nursing care center cannot benefit from the services provided by the Montana State Hospital or traditional nursing homes. The population served is generally stable and would

not benefit from the intensive psychiatric treatment available at Montana State Hospital. At the end of SFY 2003, the facility had a 116-bed capacity and an average daily resident census of 95.5 patients.

5. Persons with HIV/AIDS

Prior to 1997, housing needs were different than they are today. At that time, nearly all persons with HIV/AIDS (Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome) were disabled by health reasons and qualified for disability determination, and thus disability income. The need for low-income housing was prevalent for these clients. However, local individuals, working within their communities, were often able to make a hardship case that these individuals should move to the front of the waiting list because of serious health concerns and the probability that they would not live a great deal longer. The advent of effective medical treatment has changed that scenario. People infected with HIV are able to maintain a much healthier status and frequently do not qualify for disability determination. Though they are healthier, they may not be able to work full-time and they continue to need low-income housing. They also need housing in proximity to major healthcare centers to receive the extensive and specific treatment they will require for the remainder of their lives. Because their health status is improved, it is not so possible to make a hardship case to move them in the waiting list, and it is more likely they will need low income housing for a much longer period of time.

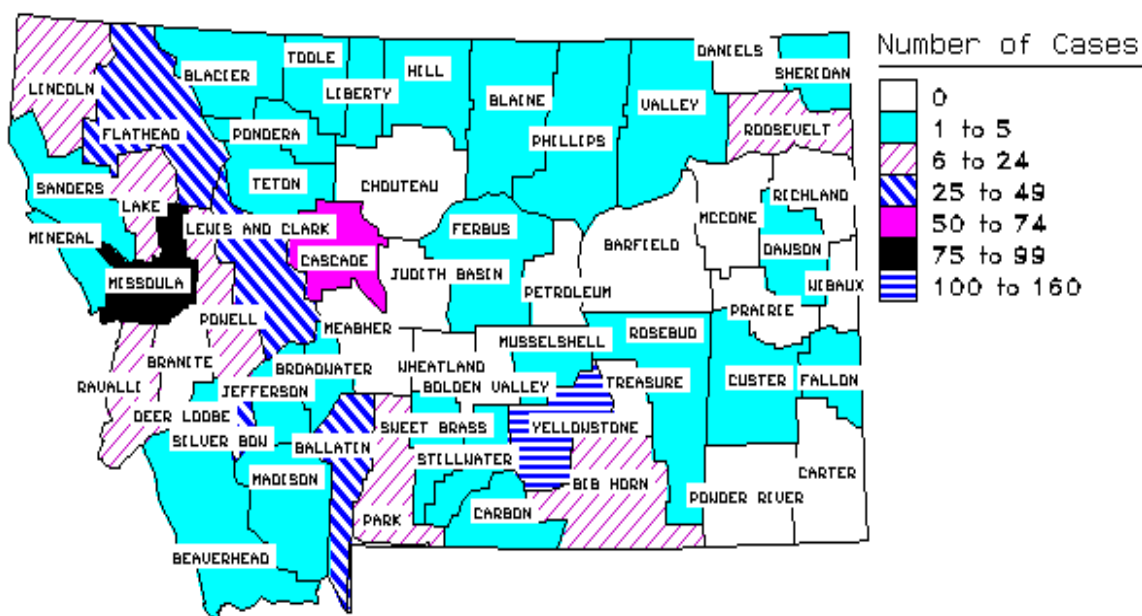


¹⁰³ 2005-2007 Comprehensive HIV Prevention Plan, Community Planning Group for HIV Prevention Project, August 2004

As of December 31, 2003, a cumulative total of 612 cases of HIV and AIDS had been reported to the MDPHHS since 1985. In 2003, HIV/AIDS was the eighth most common reportable disease in Montana with a combined total of 29 (10 AIDS, 19 HIV) cases reported. Approximately 347 individuals aware of their infection are known to be living with HIV/AIDS in Montana. An estimated 66 percent of these individuals have been diagnosed with AIDS. Forty of the state's 56 counties have reported at least one HIV/AIDS case since 1985. Montana remains a "low incidence" state with respect to HIV/AIDS, reporting fewer cases annually than all other states except Wyoming, and North and South Dakota.¹⁰⁴

The geographic distribution of Montana's HIV/AIDS cases closely reflects the state's overall population distribution. Montana's eight largest counties account for approximately 80 percent of all reported HIV/AIDS cases since 1985. Cases reported during the last two years show no significant change. In fact, nearly 90 percent of all cases identified in the last two years resided in the eight largest counties.¹⁰⁵

Distribution of Montana HIV/AIDS Cases by County, 1985-2003¹⁰⁶



HIV/AIDS does not appear to have had a disproportionate impact on Montana's American Indian population at the present time. American Indians represent approximately six percent of the state's population and represent seven percent of the HIV/AIDS cases reported. Fortunately, the state has not experienced the increase in cases among racial/ethnic minority groups experienced by larger urban areas of the

¹⁰⁴ 2005-2007 Comprehensive HIV Prevention Plan, Community Planning Group for HIV Prevention Project, August 2004

¹⁰⁵ *Ibid.*

¹⁰⁶ *Ibid.*

nation. While the number and characteristics of cases among American Indians differs little from those of the general population, other markers of potential HIV risk (teen pregnancies, STD rates) suggest an increased level of risk among American Indians when compared to non-Indian populations.¹⁰⁷

Race/Ethnicity of HIV/AIDS Cases, 1985-2003						
Race/Ethnicity	HIV		AIDS		Total HIV/AIDS	
	No.	(%)	No.	(%)	No.	(%)
Hispanic – All Races	4	4%	13	3%	17	3%
Non Hispanics – American Indian	6	5%	35	7%	41	7%
Black/African American	5	4%	14	3%	19	3%
Native Hawaiian/Pacific Is.	0	0%	1	0%	1	0%
White	97	85%	432	87%	529	86%
Unknown	2	2%	3	1%	5	1%
Totals:	114		498		612	

B. SPECIAL NEEDS OBJECTIVES

The State has determined a “medium” need at the statewide level for the non-homeless special needs populations. It is up to each locality to determine its own area(s) of highest need through more detailed local analyses, studies and needs assessments. The state reserves the right to make a determination of local need based on local analyses, studies and needs assessments, which may override the state’s priority level.

SPECIAL NEEDS/NON-HOMELESS SUMMARY TABLE STATE OF MONTANA – FIVE YEAR PLAN 2005 - 2010	
SUB-POPULATIONS	Priority Need Level High, Medium, Low, No such need
ELDERLY AND FRAIL ELDERLY	M
VETERANS	M
PERSONS WITH DISABILITIES	
SEVERE MENTAL ILLNESS	M
DEVELOPMENTALLY DISABLED	M
PHYSICALLY DISABLED	M
PERSONS WITH ALCOHOL/OTHER DRUG ADDICTION	M
PERSONS WITH HIV/AIDS	M
TOTAL	M

1. U.S. Supreme Court Olmstead Decision

The 1999, the U.S. Supreme Court Olmstead Decision established that States must work to provide people with disabilities who currently reside in institutions or other intensive levels of care, like nursing homes, with appropriate and meaningful opportunities for full access to community life. A fundamental piece of creating appropriate community living options is appropriate housing. The Bush Administration’s *New Freedom Initiative* calls for swift implementation of the *Olmstead* decision and calls on federal agencies, including HUD-funded programs to identify and remove obstacles that prevent people with disabilities from full participation in community life and to work

¹⁰⁷ 2005-2007 Comprehensive HIV Prevention Plan, Community Planning Group for HIV Prevention Project, August 2004

cooperatively to assist the states in creating appropriate *Olmstead* solutions across the country. In Montana, the major institutions serving people with severe disabilities include the Montana State Hospital at Warm Springs, and the state Nursing Care Center at Lewistown, which serve people with mental illness, and the Developmental Center at Boulder serving people with developmental disabilities. *Olmstead* also covers people with disabilities who are inappropriately served levels of restrictive care that are higher than necessary.

In 2003, the Montana State Legislature authorized the closure of the Eastmont Center for Developmental Disabilities in Glendive, Montana. The MDPHHS Developmental Disability Program was authorized to fund community group homes in Glendive to provide an appropriate community living opportunity for many of the former residents of Eastmont. In addition, the MDPHHS Addictive and Mental Disorders Division is downsizing the Lewistown Nursing Care Center for persons with serious disabling mental illness and funding a new level of intensive community living options for current Nursing Care residents.

For more information on Montana's Olmstead Planning Document, go to:

http://www.dphhs.mt.gov/dsd/govt_programs/Olmstead/index.htm

2. Montana Home Choice Coalition

President Bush, in announcing his *New Freedom Initiative*, identified a major discrepancy in the general rate of homeownership of 71 percent and the rate of households headed by people with disabilities, which stands at 10 percent. The Montana Home Choice Coalition believes these national figures are generally applicable to the homeownership gap present in Montana, and is committed to closing this gap for people with disabilities and their families.

Like other citizens, people with disabilities can benefit from homeownership. Efforts to provide homeownership opportunities and choices can be supported through a combination of funding programs and new initiatives. Individuals with disabilities may need access to more financial assistance than the average first-time homebuyer due to limitations on work and related earning power due to their disability. Working in support of homeownership for persons with disabilities, the Montana Home Choice Coalition's homeownership initiative involves four major general strategies:

- Provide community outreach and education to the disability community;
- Provide individual homeownership counseling and referral services;
- Provide access to the Fannie Mae HomeChoice Mortgage for Persons and Families with Disabilities. This mortgage product has flexible features specifically designed to meet the needs of homeowners with disabilities. It provides a flexible mortgage option for potential homeowners with disabilities and adds existing mortgage options available through Montana Board of Housing, HUD, and Rural Development; and

- Educate and advocate with affordable homeownership providers, the housing finance industry, and housing builders. Within the public housing resource needs identification process, identify the interest in and need to include homeownership as an option for people with disabilities, including the development of accessible housing stock incorporating Universal Design.

The Home Choice Coalition is committed to assisting eligible persons with disabilities to become homeowners. The Coalition has set as priorities, Montana counties with the greatest degree of affordability, primarily in the central and eastern parts of the state. The Coalition has begun working with the Montana Homeownership Network, MBOH, MDOC Housing Division, Fannie Mae MTPO, USDA Rural Development, A.W.A.R.E., Inc., Central Montana Medical Center, Opportunities Resources, Inc., Section 8 contractors, lenders, and realtors in an effort to support implementation of the Section 8 Homeownership Voucher program. In partnership with the MDPHHS Developmental Disability Program, the Coalition is also working with persons with developmental disabilities, who desire to become homeowners.



MONTANA

CONSOLIDATED PLAN

ANNUAL ACTION PLAN

PLAN YEAR

April 1, 2005 -- March 31, 2006

Submitted to HUD February 15, 2005



Alternative accessible formats of this document will be provided upon request. If you need this document in an alternative format such as large print, Braille, audiotape, or computer diskette, please contact the Montana Department of Commerce Housing Division at (406) 841-2820, TDD (406) 841-2702 or the Montana Relay Services number, 711.

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EXECUTIVE SUMMARY

Each year Montana submits an Action Plan illustrating how the Housing and Urban Development (HUD) Community Planning and Development (CPD) resources will be utilized to improve communities throughout the State. The state's goals include:

- Increasing the supply of decent, safe, affordable housing, especially for low- and very low-income families and individuals;
- Providing housing for special needs populations such as the elderly, disabled and homeless;
- Expanding economic opportunities in order to improve the living conditions for low- and moderate-income groups; and
- Expanding and improving community facilities and services, principally for low- and moderate-income persons, which are essential for sound community development and for development of viable communities.

The Action Plan is for the 12-month period beginning April 1, 2005. The plan, developed with the input of citizens and community groups, serves four major functions:

- It is the State's application for funds available through the three HUD formula grant programs that are administered by the State of Montana: the Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME), and the Emergency Shelter Grant (ESG) programs;
- It is the annual planning document, built through public input and participation, for CDBG, HOME, ESG, and other related programs;
- It lays out the funding resources expected, the method of fund distribution and the actions the State will follow in administering HUD programs; and
- It provides accountability to citizens for the use of the funds and allows HUD to measure program performance.

The Montana Department of Commerce (MDOC) administers the Community Development Block Grant Program, the HOME Investment Partnerships Program, and the Consolidated Plan. The Montana Department of Public Health and Human Services (MDPHHS) administers the Emergency Shelter Grant Program.

The state supports its Consolidated Plan with additional documents, including the *Economic and Demographic Analysis of Montana*, *Economic and Demographic Databook*, *Montana Housing Condition Study*, *Montana Housing Needs Assessment*, *Economic Benefits of Montana Department of Commerce Housing Programs*, and *Montana Housing Resource Directory*. These documents, studies, evaluations, and previous Consolidated Plan reports help individuals, communities, and organizations meet the basic goals of the CDBG, HOME, and ESG programs, and provide useful information for the public and legislature. Contact the Montana Department of

Commerce, Housing Division, at (406) 841-2820 for information on these and other publications, or access the Consolidated Plan documents through the website at:

http://housing.state.mt.us/Hous_CP.asp

The Annual Action Plan provides details to citizens, public agencies, and other interested parties on the amount of assistance Montana expects to receive, the range of activities that may be undertaken, and the general program activities that may be planned in addressing the priority needs.

CONSOLIDATED PLAN DEVELOPMENT PROCESS

Updating the Consolidated Plan for housing and community development is an on-going process. Throughout this process, the state strives to improve the delivery of assistance to the people of Montana. The state supports policies and programs that support decent, safe, affordable housing, services for the homeless and other non-housing community development activities, such as infrastructure enhancement and economic development. The update process consists of several distinct steps, including:

- Advisory and policy formation functions;
- Interagency cooperation and coordination;
- Consultation and outreach with concerned citizens and organizations; and
- Public awareness of the citizen involvement process.

Throughout the year, the MDOC has interacted with other agencies and organizations with a commitment to better develop housing strategies. The MDOC has maintained its commitment to inform others of their responsibility to participate in the Consolidated Plan process and to promote affordable housing, adequate infrastructure, and economic development in local communities. The MDOC supports a broad-based “team” approach to address these issues.

Members of the **Consolidated Plan Steering Committee**, with representatives from the HOME and CDBG programs, Montana Board of Housing (MBOH), other Housing Division programs, Montana Home Choice Coalition (A.W.A.R.E., Inc.), and Fannie Mae’s Montana Partnership Office met during the plan development process to review the status of the Action Plan. In addition, other agencies, such as the Montana Department of Environmental Quality (MDEQ), the Montana Department of Natural Resources and Conservation (MDNRC), the Montana Department of Public Health and Human Services (MDPHHS), and the Montana Department of Labor and Industry (MDOLI), are solicited as needed for input on specific topics contained in the Action Plan and supporting studies.

As part of the plan update, numerous outside agencies and individuals were contacted. Organizations and individuals are encouraged to provide statistics, data, and other information to aid in preparing the Action Plan and related studies.

On-Site Public Input Meetings			
Glasgow	Mar. 30, 2004	7:00 – 8:30 pm	Cottonwood Inn, south side of US Hwy 2 E
Anaconda	Apr. 6, 2004	11:30 am – 1:00 pm	Community Service Center, 118 E. 7 th St
Shelby	Apr. 14, 2004	11:30 am – 1:00 pm	Marias River Electric Co-op, 910 Roosevelt Hwy

METNet Videoconference Public Input Meeting		
April 22, 2004		
2:00 to 4:00 pm		
Helena	Dept. of Public Health & Human Svcs.	111 Sanders St., Lower Level Auditorium
Bozeman	Montana State University	Corner of S. 7 th & Grant, EPS Bldg-Burns Center
Butte	Montana Tech of the University of MT	1300 W. Park St., Engineering Lab Classroom Bldg
Dillon	Western Montana College of the Univ. of MT	710 S. Atlantic, Lucy Carson Library
Havre	Montana State University–Northern	300 11 th St. W., Hagener Science Center
Kalispell	Flathead Valley Community College	777 Grandview Dr., Learning Resource Center
Miles City	Miles Community College	2715 Dickenson St., Room 106
Billings	Montana State University-Billings	1500 N. 30 th St., College of Educ. & Human Svcs.
Great Falls	MSU College of Technology	2100 16 th Ave. S., Room B-103
Missoula	University of Montana	Gallagher Bldg, Corner of Arthur & Eddy Sts.

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HUD COMMUNITY PLANNING AND DEVELOPMENT RESOURCES

Community Development Block Grant (CDBG) Program

The Community Development Division and the Business Resources Division (BRD) of the MDOC administer the CDBG program. For the plan year beginning April 1, 2005, the state will receive \$7,626,300 in federal CDBG funds. Of these dollars, one-third, or approximately \$2.4 million, will be allocated for economic development projects, administered by the BRD. Approximately \$4.6 million will be allocated to public facility (\$3.2 million) projects and to housing and neighborhood renewal (\$1.4 million) projects, which are administered by the Community Development Division (CDD).

CDBG		
FFY 2005		
	<u>Minimum Amount</u>	<u>Maximum Amount</u>
Competitive		\$ 7,297,511
Formula		
Retained for State Project		
Non-Competitive		
State Admin of Program		\$ 328,789

The CDBG program also anticipates that an undeterminable amount of program income will be generated. Grantee communities that have an approved CDBG program income plan are allowed to retain the funds for further CDBG-eligible activities. Each year, local governments receiving CDBG program income are requested to file a report showing the status of program revenues and expenditures.

General-purpose local governments, towns and cities under 50,000 in population and counties, are eligible applicants for CDBG funds. Funds distribution for the CDBG **Housing and Neighborhood Renewal** category and the **Public Facility** category is based on annual grant competitions. The maximum grant request in each category is \$500,000. Existing grantees must significantly drawdown their current funds before they are eligible to apply for additional program funds. Each local government may apply for one housing and neighborhood renewal project and one public facility project each program year. Montana's three entitlement cities, Billings, Great Falls, and Missoula are not eligible to apply for state CDBG funding since they receive their own CDBG funds directly from HUD.

The CDBG program sets aside funds for **Planning Grants** related to housing and neighborhood renewal and public facilities. The planning grants category is also based on an annual competition. Eligible applicants are the same as for the housing and neighborhood renewal and public facility categories. Planning grants can be used for a variety of planning activities including the initial planning necessary to get a project under way; conducting other community planning activities such as preparing or updating a comprehensive plan or growth policy; or preparing a neighborhood redevelopment plan, a housing study, preliminary engineering or architectural report, capital improvement plan, or similar planning processes needed to help a community address critical needs. The maximum planning grant ceiling is anticipated to be \$15,000 for the plan year.

The FFY 2005 public facilities category application deadline was May 28, 2004. Grant awards for approximately \$3.2 million in CDBG funds were announced in late October 2004. The housing and neighborhood renewal application deadline for FFY 2005 funds, approximately \$1.4 million, was November 19, 2004 with grant announcements expected in March 2005.

The **Economic Development** component of the CDBG program receives one-third, or approximately \$2.4 million, of the annual allocation to the state of Montana. It is anticipated that the CDBG-ED Guidelines will be available in February 2005 and the CDBG-ED Planning Grant Guidelines will be available in May 2005. Applications are received and funds are awarded on a continuous cycle until all funds are committed. Once all funding is obligated, project development and funding awards may occur in anticipation of the next year's funding allocation.

The Business Resources Division sets aside approximately \$225,000 in CDBG-ED funds for economic development planning, capacity building, and technical assistance grants. For plan year 2005, the BRD intends to use the set-aside funds for activities similar to those funded in recent years, but will establish specific application policies by May 2005. The policies will specify funding priorities, application procedures, and amounts available at that time for each subcategory. Funds not utilized for this category may be used for the regular CDBG-ED program.

Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and nonresidential properties (including special facilities for the handicapped); construction of new, affordable housing (when sponsored by a nonprofit organization); provision of public facilities and improvements such as water, sewer, or solid waste facilities, or senior citizen centers; and assistance to for-profit businesses to promote economic development activities that will result in the creation or retention of jobs.

During calendar year 2005, the CDBG program anticipates applications for funds will be accepted as follows:

<u>Type of Grant</u>	<u>Ceiling</u>	<u>Deadline</u>
▪ FFY <u>2005</u> Planning Grants-Housing & Neighborhood Renewal and Public Facility	\$ 15,000	April 22, 2005
Grant Announcement		June 2005
▪ FFY <u>2006</u> Public Facility Grants	\$ 500,000	May 27, 2005
Grant Announcement		September 2005
▪ FFY <u>2006</u> Housing & Neighborhood Renewal Grants	\$ 500,000	November 4, 2005
Grant Announcement		February 2006
▪ FFY <u>2005</u> Economic Development Grants	\$ 400,000	Open Cycle
▪ FFY <u>2005</u> Planning Grants-Economic Development	\$ 15,000	Open Cycle

Specific guidelines that relate to the individual CDBG programs may be obtained by contacting the MDOC or by viewing the programs' websites at the following addresses:

➤ CDBG Public Facilities and Housing & Neighborhood Renewal:

http://commerce.mt.gov/CDD_CDBG.asp

➤ CDBG Economic Development:

http://commerce.mt.gov/BRD_CDBG.asp

HOME Investment Partnerships (HOME) Program

The HOME program, administered by the MDOC Housing Division, will receive \$4,594,104 for the plan year beginning April 1, 2005, 4.4 percent less than HUD's planning estimate. Funds will be used to develop affordable housing for low- and very low-income persons.

Additionally, in December 2003, the American Dream Downpayment Initiative (ADDI) was signed into law. ADDI provides for \$200 million each year from 2003 until 2007 to be allocated to HOME participating jurisdictions based on the percent of low-income renters in the jurisdiction relative to the percent of low-income renters in the United States. The MDOC will receive \$164,842 for FFY 2005, 43 percent less than HUD's planning estimate.

The majority of the MDOC's ADDI funds will be granted according to the existing HOME program allocation process through competitive applications. However, a portion of Montana's ADDI funds will be allocated non-competitively to the state's three entitlement cities: Missoula, Great Falls, and Billings, which are not large enough to receive an ADDI allocation. Since the MDOC's allocation of ADDI funds is based upon the number of low-income renters in the state relative to the number of low-income renters in the nation, the MDOC will grant funds to Missoula, Great Falls, and Billings based on the number of low-income renters in each city relative to the number of low-income renters in Montana. The cities will not be required to submit applications to the MDOC, but will be required to demonstrate a viable plan for disbursing the ADDI funds in a timely manner.

The HOME program anticipates that an undeterminable amount of program income and CHDO proceeds will be generated. Grantees that have a Program Income Plan or CHDO Proceeds Plan approved by the HOME Program are allowed to retain the funds for further HOME eligible activities. Program income and CHDO proceeds are reported to the HOME program quarterly.

	FFY 2005	
	<u>Minimum Amount</u>	<u>Maximum Amount</u>
Competitive Formula		\$ 4,238,545 *
Retained for State Project		
Non-Competitive		\$ 60,991 *
State Admin of Program		\$ 459,410
* Includes ADDI05 funds (\$164,842).		

Program funds for HOME are distributed through a competitive process of grant applications with a deadline date of March 4, 2005. Eligible applicants include general-purpose local governments (counties, incorporated cities and towns, and consolidated city-county governments), Community Housing Development Organizations (CHDOs) certified by the MDOC, and Montana Public Housing Authorities (PHAs). The maximum request for a HOME project is \$500,000 (including soft costs) for homebuyer assistance, homeowner rehabilitation, rental rehabilitation, tenant based rental assistance (TBRA), and new construction. CHDOs receive a minimum 15 percent set-aside of each fiscal year allocation to perform ownership, sponsorship, and development of housing activities.

Specific guidelines that relate to the HOME program may be obtained by contacting the MDOC Housing Division or by viewing the program's website at the following address:

http://housing.mt.gov/Hous_HM.asp

Emergency Shelter Grant (ESG) Program

The Intergovernmental Human Services Bureau (IHSB) of the Montana Department of Public Health and Human Services (MDPHHS) anticipates that \$393,710 will be available through the ESG program.

ESG		
FFY 2005		
	<u>Minimum Amount</u>	<u>Maximum Amount</u>
Competitive Formula		\$ 374,025
Retained for State Project Non-Competitive State Admin of Program		\$ 19,685

The 10 regional Human Resource Development Councils receive 95 percent of the funds allocated under this program. Funds are distributed based on a formula allocation contained in Administrative Rules of Montana, ARM 53-10-502, pertaining to the Community Services Block Grant. This allocation reflects areas of poverty and general population.

Continuum of Care Competitive (CoC) Grants

Continuum of Care competitive grants provide permanent and transitional housing to homeless persons. In addition, CoC grants fund services including job training, health care, mental health counseling, substance abuse treatment and child care. In late January 2005, Montana's statewide CoC was awarded nearly \$2.5 million in the 2004 competitive grants.

MONTANA'S STATEWIDE CONTINUUM OF CARE HOMELESS ASSISTANCE AWARDS FEDERAL FISCAL YEAR 2004		
Missoula Housing Authority	SPC	\$847,440
Western Montana Mental Health Center/Turning Point Addiction Services	SHPR	\$393,330
YWCA of Missoula	SHPR	\$35,240
YWCA of Missoula	SHPR	\$65,761
The Samaritan House	SHPR	\$63,000
Florence Crittenton Home and Services	SHP	\$373,639
Sanders County Coalition For Families	SHPR	\$56,964
District IV HRDC	SHPR	\$16,800
District 7 Human Resource Development Council	SHPR	\$63,000
Missoula Housing Authority	SPCR	\$126,360
Missoula Housing Authority	SPCR	\$304,200
Helena Housing Authority	SPCR	\$74,424
Helena Housing Authority	SPCR	\$74,424
Total		\$2,494,582
SPC – Shelter Plus Care; SPCR - Shelter Plus Care Renewal; SHPR – Supportive Housing Program Renewal; SHP – Supportive Housing Program		

Housing Opportunities for Persons With AIDS (HOPWA)

In October 2004, the MDPHHS, on behalf of the states of Montana, North Dakota, and South Dakota, was awarded a HOPWA renewal grant of \$1,450,800 for three years to continue operating the Tri-state Housing Environments for Living Positively (TS HELP) program. This program is a continuum of housing and related supportive service opportunities for people living with HIV/AIDS and their families serving these three states, which do not qualify for direct HOPWA formula grant funding. TS HELP is a partnership between MDPHHS, and four private agencies in North Dakota, South Dakota, and Montana, including the Sioux Falls Housing and Redevelopment Commission in South Dakota, Region VII Community Action Program in North Dakota, and Missoula AIDS Council and Yellowstone AIDS Project in Montana.

INTRODUCTION

The Montana Department of Commerce (MDOC) is the lead agency overseeing the development of the Consolidated Plan. This Annual Action Plan is for the 12-month period beginning April 1, 2005 and ending March 31, 2006 and is designed to meet the requirements set forth by the U.S. Department of Housing and Urban Development (HUD). Each year, Montana submits an action plan illustrating how the HUD Community Planning and Development (CPD) resources it receives will be utilized to improve communities throughout the state. The state's goals include:

- Increasing the supply of decent, safe, affordable housing, especially for low- and very low-income families, individuals, and special needs populations such as the elderly, disabled and homeless;
- Expanding economic opportunities in order to improve the living conditions for low- and moderate-income groups; and
- Expanding and improving community facilities and services, principally for low- and moderate-income persons, which are essential for sound community development and for development of viable communities.

The plan, developed with the input of citizens and community groups, serves four major functions:

- It is the state's application for funds available through the three HUD formula grant programs that are administered by the state of Montana:
 - The Community Development Block Grant (CDBG) program, administered by the Community Development and Business Resources Divisions of the MDOC;
 - The HOME Investment Partnerships (HOME) program, administered by the Housing Divisions of the MDOC; and
 - The Emergency Shelter Grant (ESG) program, administered by the Human and Community Services Division of the Montana Department of Public Health and Human Services (MDPHHS).
- It is the annual planning document, built through public input and participation, for CDBG, HOME, ESG and other related programs.
- It lays out the funding resources expected, the method of fund distribution, and the actions the state will follow in administering HUD programs.
- It provides accountability to citizens for the use of the funds and allows HUD to measure program performance.

The state supports its Consolidated Plan with additional documents, including the *Economic and Demographic Analysis of Montana*, *Economic and Demographic Databook*, *Montana Housing Condition Study*, *Montana Housing Needs Assessment*, *Economic Benefits of Montana Department of Commerce Housing Programs*, and *Montana Housing Resource Directory*. These documents, studies, evaluations, and

previous Consolidated Plan reports help individuals, communities, and organizations meet the basic goals of the CDBG, HOME, and ESG programs, and provide useful information for the public and legislature.

The Annual Action Plan provides details to citizens, public agencies, and other interested parties on the amount of assistance Montana expects to receive, the range of activities that may be undertaken, and the general program activities that may be planned in addressing the priority needs during the plan year.

CONSOLIDATED PLAN DEVELOPMENT PROCESS

Updating the Consolidated Plan for housing and community development is an on-going process. Throughout this process, the state strives to improve the delivery of assistance to the people of Montana. The state supports policies and programs that support decent, safe, affordable housing, services for the homeless, and other non-housing community development activities such as infrastructure enhancement and economic development.

ADVISORY AND POLICY FORMATION FUNCTIONS

Throughout the year, the MDOC interacts with other agencies and organizations with a commitment to better develop housing strategies. The MDOC maintains its commitment to inform others of their responsibility to participate in the consolidated planning process and to promote affordable housing, adequate infrastructure, and economic development in local communities. The MDOC supports a broad-based “team” approach to address affordable housing issues through the formation of the Consolidated Plan Steering Committee, Housing Coordinating Team, and Housing Working Group. The MDOC has also been a long-standing member of the Water, Wastewater and Solid Waste Action Coordinating Team, which was formed in 1982 to address infrastructure issues. These committees and groups provide direction and input to the Consolidated Plan.

Additionally, the Housing and Community Development Divisions of the MDOC continue improving coordination in the area of joint applications, workshops, and reporting forms.

The CDBG Economic Development (CDBG-ED) program works in tandem with the other business financing and technical assistance programs in the Business Resources Division to meet the objectives of the MDOC for statewide economic development. In addition to providing loans to for-profit businesses, CDBG provides leverage of dollars and technical assistance to the business community throughout the state.

The MDOC HOME program continues to advise nonprofit groups on how to form certified Community Housing Development Organizations (CHDOs). An MDOC-certified CHDO can apply for set-aside funds under the MDOC HOME program. Like local units of government (cities, towns, and counties), and public housing authorities (PHAs), CHDOs are also eligible to apply for HOME grant funds that are not part of the CHDO set-aside.

INTERAGENCY COOPERATION AND COORDINATION

Members of the **Consolidated Plan Steering Committee**, with representatives from the HOME, Montana Board of Housing (MBOH) and CDBG programs, other Housing Division programs, the Montana Home Choice Coalition/A.W.A.R.E., Inc., and Fannie Mae's Montana Partnership Office met during the plan development process to review the status of and provide input to the Consolidated Plan. In addition, other agencies, such as the Montana Department of Environmental Quality (MDEQ), the Montana Department of Natural Resources and Conservation (MDNRC), the MDPHHS, and the Montana Department of Labor and Industry (MDOLI), are solicited as needed for input on specific topics contained in the action plan and supporting studies.

The **Housing Working Group** (HWG), formed by the MDOC in 1996, continues to review areas where regulations are adding to the cost of housing. Other areas addressed by the HWG include the legislative process, comprehensive planning and zoning, subdivision standards, disincentives to building within city limits, and financing for infrastructure costs. In addition, the HWG, in conjunction with the MDEQ, developed an award-winning affordable/energy efficient house plan book, with entries submitted by Montana architects.

The **Housing Coordinating Team** (HCT), also chartered by the MDOC, continues to facilitate statewide coordination in the delivery of housing services to individual housing providers and local organizations. Areas of cooperation include evaluating the effects of impact fees on affordable housing, coordinating monitoring requirements within the MDOC programs, and making minor adjustments to the common application for housing projects. Participating organizations include the MDOC and MDPHHS, HUD, Fannie Mae's Montana Partnership Office (MTPO), U.S. Department of Agriculture Rural Development (USDA RD), and local housing authorities.

The **Water, Wastewater and Solid Waste Action Coordinating Team** (W₂ASACT) is a group of professionals from state and federal governments, and nonprofit organizations that finance, regulate, and/or provide technical assistance for infrastructure, principally drinking water and wastewater systems. W₂ASACT currently meets bimonthly to explore and coordinate a wide range of activities linked to improving the environmental infrastructure of local governments and unincorporated communities across Montana. W₂ASACT regularly sponsors and coordinates annual seminars statewide to explain the various financial programs and resources available to assist local governments in funding their infrastructure needs. Civil engineers, local government representatives, and technical assistance providers are invited to present comprehensive information regarding environmental infrastructure projects.

W₂ASACT subcommittees continue to address issues of community planning and environmental regulation in order to streamline the application and project implementation process for small rural communities. A current goal is to consolidate multiple, separate environmental mandates into one coordinated environmental review

process, including the development of a common environmental assessment form that would be accepted by all funding agencies.

In addition, staff from the Housing Division regularly attends and participates in meetings held by the **Montana Continuum of Care**, the **Montana Home Choice Coalition**, the **Montana Homeownership Network**, the **Tri-State HELP** program, **Mental Health Oversight Advisory Council**, and the **Montana Council on Homelessness**.

The **Montana Continuum of Care** (MT CoC) for the Homeless Coalition is a statewide collaboration of diverse homeless service providers, nonprofit organizations, and local and state governments. The coalition was formed to address homelessness with very few resources to cover Montana's vast geographical area.

The **Montana Home Choice Coalition** is a coalition of Montana citizens working together to create better housing opportunities for Montana citizens with disabilities. A.W.A.R.E., Inc. coordinates the Coalition, which receives support and sponsorship from the Fannie Mae MTPO and the MDPHHS. The Coalition develops new housing and resources directly and in partnership with other entities, provides education, advocacy and housing counseling, and collects data to support its goal of creating better housing choices for Montanans with disabilities.

An affiliate of Neighborhood Housing Services, Inc. of Great Falls (NHS), the **Montana Homeownership Network** (MHN) is a nonprofit housing provider offering affordable home ownership opportunities to lower income individuals and families around the state. Its partners include the Missoula Housing Corp., state Resource Conservation & Development Board, Natural Resource Conservation Service, USDA-RD, HUD, Assiniboine and Sioux Tribal Enterprise, Salish and Kootenai Housing Authority, Neighborhood Reinvestment, cities of Great Falls and Billings, Fannie Mae MTPO, First Interstate BancSystem Foundation, Heritage Bank, US Bank, Wells Fargo Bank, Stockman Bank, Montana Building Industry Association, Montana REALTOR® Association, Career Training Institute, Helena Area Housing Task Force, Elkhorn Housing Development Corporation, Human Resource Development Councils, and the MBOH.

The **Tri-State HELP** program is a housing assistance program for people living with HIV/AIDS in the states of Montana, North Dakota, and South Dakota. Tri-State HELP is funded through competitive Housing Opportunities for Persons With AIDS (HOPWA) grants from HUD.

The 1999 Montana Legislature directed the Montana Department of Public Health and Human Services to create the **Mental Health Oversight Advisory Council** (MHOAC). MHOAC provides input to the MDPHHS in the development and management of the public mental health system. MHOAC membership includes consumers of mental health services including those who currently receive or formerly received public mental health services, immediate family members of recipients of mental health services, advocates

for consumers or family members of consumers, the public at large, mental health service providers, legislators, and MDPHHS representatives.

In response to the growing problem of homelessness in Montana, former Governor Judy Martz issued an Executive Order in June 2004, establishing the **Montana Council on Homelessness** (MCH). The Council was structured to establish vital links among the efforts and resources of state and federal agencies, communities, tribes, nonprofits, and others. The MCH is charged with developing a 10-year plan to eradicate chronic homelessness in Montana and with addressing this multi-faceted issue through policy, protocols, recommendations for legislation and the creative use of new and existing resources. The MCH consists of representatives from the Governor's office, Montana Wyoming Tribal Leaders Council, MDPHHS, MDOC, Social Security Administration, Veterans' Affairs Division, Department of Corrections, Office of Public Instruction, Montana Board of Crime Control, Health Care for the Homeless, American Indian Advocacy & Legal Counsel, homeless service provider, homeless or previously homeless person, MDOLI, addictive and mental disorders, Montana CoC, and HUD.

CONSULTATION AND OUTREACH WITH CITIZENS AND ORGANIZATIONS

As part of the plan update, numerous outside agencies and individuals were contacted. Organizations and individuals are encouraged to provide statistics, data, and other information to aid in preparing the action plan and related studies.

PUBLIC AWARENESS OF THE CITIZEN INVOLVEMENT PROCESS

To gather additional public comment for the planning and review process, four public input meetings, including one by METNet videoconference, were held in March and April 2004. The METNet videoconference was held simultaneously in ten cities around the state on April 22, 2004.

On-Site Public Input Meetings			
Glasgow	Mar. 30, 2004	7:00 – 8:30 pm	Cottonwood Inn, south side of US Hwy 2 E
Anaconda	Apr. 6, 2004	11:30 am – 1:00 pm	Community Service Center, 118 E. 7 th St
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Missoula	University of Montana	Gallagher Bldg, Corner of Arthur & Eddy Sts.

Three public review meetings were held in October 2004 together with the joint housing application workshops. In addition, on November 18, 2004, a multi-site videoconference meeting was held simultaneously in eight cities around the state.

On-Site Public Review Meetings			
Miles City	Oct. 13, 2004	12:00 – 1:15 pm	Guest House Inn, 3111 Steel St.
Lewistown	Oct. 19, 2004	12:00 – 1:15 pm	Yogo Inn, 211 E. Main St.
Missoula	Oct. 21, 2004	12:00 – 1:15 pm	Best Inn & Conference Center-South, 3803 Brooks St.

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Great Falls	MSU College of Technology	2100 16 th Ave. S., Room B-103
Missoula	University of Montana	Gallagher Bldg, Corner of Arthur & Eddy Sts.

At a minimum, the meetings were noticed with general announcements to everyone on the Consolidated Plan mailing list, general newspaper ads in the state's major newspapers, personal invitation letters to everyone on the Consolidated Plan mailing list living in the areas in which the meetings were being held, and specific newspaper display ads in the areas the meetings were being held.

QUANTITATIVE ANALYSIS IN SUPPORT OF THE PLAN

Development of the Action Plan for the plan year beginning April 1, 2005 is partially based on current and past research studies and analyses of housing, infrastructure, and economic development needs. Several analyses were conducted during the current planning cycle.

Prepared by the Center for Applied Economic Research at Montana State University-Billings, the purpose of the *Economic and Demographic Analysis of Montana* is to provide current data and analysis for two primary uses: first, for the MDOC in preparing Montana's Consolidated Plan; and second, for communities and other organizations that apply for federal funds from the HOME and CDBG programs for housing projects, public facilities, and economic development activities. This data may also be useful to other entities in need of statewide or county level analysis of economic, demographic, and housing trends.

Volume I of the *Economic and Demographic Analysis*¹ presents and analyzes economic data by county for Montana including income and poverty data from the U.S. Census

¹ *Economic and Demographic Analysis of Montana*, Volume I-Economic Profile, Center for Applied Economic Research, Montana State University-Billings, January 2005.

Bureau, employment, earnings and income data from the U.S. Bureau of Economic Analysis, and labor force statistics from the MDOLI and the U.S. Bureau of Labor Statistics.

Volume II of the *Economic and Demographic Analysis*² presents an analysis of Montana demographic data by county. These statistics include 1990 and 2000 Census population data as well as current population estimates. Certain social characteristics are also examined such as gender, age and race, population living in group quarters, marital status, veteran status, and school enrollment.

Detailed data on the disabled population in Montana is presented in the appendix to Volume II³, including detailed statistics of disability counts by county and cities with a population of 5,000 or more from Census 2000.

Volume III of the *Economic and Demographic Analysis*⁴ presents Montana housing statistics by county using 1990 and 2000 Census data, including (a) the year the structure was built, (b) the number of units in the structure, (c) the number of rooms per structure, (d) the occupants per room, and (e) the number of structures lacking complete plumbing or kitchen facilities. Census 2000 homeownership rates are analyzed as well. The Census forecast of 2001, 2002 and 2003 housing units is also presented as well as historical new construction permit data. Current year data on total monthly housing costs are calculated including mortgage payment or rental payment, property taxes, insurance cost and utility costs. These costs are compared to median family income to determine affordability. In addition, historical information on housing prices is presented.

Using data from NPA Data Services, Inc., the *Economic and Demographic Databook* looks at six areas of interest for each county in Montana, including: historic and forecast population; historic and forecast earned and unearned income; historic and forecast earnings by industry; total population by age cohorts, male population by age cohorts; and female population by age cohorts. The *Databook* is available on the Consolidated Plan website at:

http://housing.state.mt.us/Hous_CP_Apps.asp

The purpose of the *Montana Housing Condition Study*⁵ is to evaluate the current housing stock in the state. The detailed data presented on the current housing stock will help the state and community organizations better understand what types of housing are available for rent and for purchase, and assist them in determining the housing

² *Economic and Demographic Analysis of Montana*, Volume II, Demographic Analysis, Center for Applied Economic Research, Montana State University-Billings, December 2004.

³ *Economic and Demographic Analysis of Montana*, Volume II Appendix, Disability Data, Center for Applied Economic Research, Montana State University-Billings, December 2004.

⁴ *Economic and Demographic Analysis of Montana*, Volume III-Housing Profile, Center for Applied Economic Research, Montana State University-Billings, December 2004.

⁵ *Montana Housing Condition Study*, Center for Applied Economic Research, Montana State University-Billings, January 2005.

needs of Montana citizens. Data regarding the physical characteristics and residential improvements of all residential property was extracted from the Computer Assisted Mass Appraisal System (CAMAS) database maintained by the Montana Department of Revenue.

In order to assess more accurately the effectiveness of the housing programs administered by the MDOC, an assessment of the overall economic benefits is presented in the *Economic Benefits of Montana Department of Commerce Housing Programs*.⁶ Through economic modeling, the report shows how MDOC housing programs provide visible benefits to communities throughout the state in funding rehabilitation and new construction of low-income and senior housing. During the construction phases, people within the community are aware of the direct economic impacts in terms of construction jobs and spending. What they are less aware of is the ripple effect that the expenditures have within their communities and the number of businesses and jobs that are supported. Less visible still is the amount of economic activity supported by low-income housing assistance. The increased consumer spending that results from the rental assistance benefits a wide variety of businesses throughout the community.

The *Montana Housing Needs Assessment*⁷ quantifies the state's estimated housing needs from 2006-2010 and establishes priorities for these needs. First, a household forecast is presented for 2006-2010. Second, a housing needs survey was undertaken to better gauge housing needs throughout the state. The combination of the household forecast and housing needs survey are the basis for the state's housing needs assessment and determination of the priorities to meet these needs.

As part of the Consolidated Plan, HUD requires the state of Montana to certify it will affirmatively further fair housing. This requires the state to undertake fair housing planning, complete an analysis of impediments to fair housing choice, take actions to overcome effects of any impediments identified through the analysis, and maintain records reflecting the analysis and actions taken.

The *Analysis of Impediments to Fair Housing and Housing Choice*⁸ was prepared to document findings of the analysis of impediments conducted in Montana, as required by HUD. HUD defines impediments to fair housing as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choice; or

⁶ *Economic Benefits of Montana Department of Commerce Housing Programs*, Center for Applied Economic Research, Montana State University-Billings, February 2005.

⁷ *Montana Housing Needs Assessment*, Center for Applied Economic Research, Montana State University-Billings, December 2004.

⁸ *Analysis of Impediments to Fair Housing and Housing Choice*, Western Economic Services, LLC, November 2004

- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choice on the basis of race, color, religion, sex, disability, familial status, or national origin.

The *Montana Housing Resource Directory* includes descriptions of a variety of federal, state, and local housing programs available in Montana. The directory and associated reference guide are meant to provide an overview of the available programs along with contact information.

The following documents and studies have been prepared or updated in support of the Consolidated Plan and other programs and are used in the planning process:

▪ <i>Economic and Demographic Analysis of Montana - Volumes I, II, III</i>	2005/2004
▪ <i>Economic and Demographic Databook</i>	2005
▪ <i>Economic Benefits of MDOC Housing Programs*</i>	2005
▪ <i>Montana Housing Condition Study*</i>	2005
▪ <i>Montana Housing Needs Assessment</i>	2005
▪ <i>Montana Housing Resource Directory</i>	2005
▪ <i>2003 Price of Housing Study in Montana*</i>	2004
▪ <i>Analysis of Impediments to Fair Housing and Housing Choice*</i>	2004
▪ <i>Capital Improvements Planning Manual**</i>	2004
▪ <i>Homeless in Montana: a Report***</i>	2004
▪ <i>Survey of Water, Wastewater, and Solid Waste Facility Rates in Montana**</i>	2003
▪ <i>Location of Growth in Montana**</i>	2002
▪ <i>County Bridge and Road Capital Improvement Planning and Financing Manual**</i>	2001
▪ <i>Planning & Financing Community Water & Sewer Systems in Montana**</i>	1997
▪ <i>Inventory of Water and Wastewater Needs for Unincorporated and Non-District Areas in the State of Montana**</i>	1996
▪ <i>A Handbook: Capital Facilities Scheduling & Financing**</i>	1995
▪ <i>Inventory of Infrastructure Needs**</i>	1995

* Contact the MDOC, Housing Division, at (406) 841-2820 for information on these and other publications or access the documents through the Housing Division website at:

<http://housing.mt.gov/>

** Contact the MDOC, Community Development Division, at (406) 841-2791 for information on these publications.

*** Contact the MDPHHS, Human & Community Services Division at (406) 444-4260 for this publication or access it through the following website:

<http://sherriedowning.com/consulting/CouncilonHomelessness.html>

RESOURCES

FEDERAL RESOURCES EXPECTED

Community Development Block Grant (CDBG) Program

The Community Development Division and the Business Resources Division (BRD) of the MDOC administer the CDBG program. For the plan year beginning April 1, 2005, the state will receive \$7,626,300 in federal CDBG funds. Of these dollars, one-third, or approximately \$2.4 million, will be allocated for economic development projects, administered by the BRD. Approximately \$4.6 million will be split between public facility projects (\$3.2 million) and housing and neighborhood renewal projects (\$1.4 million), which are administered by the Community Development Division (CDD).

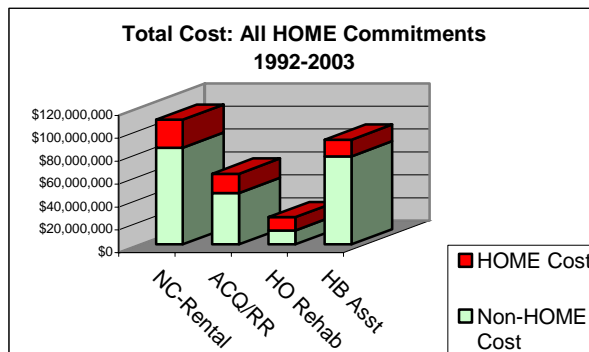
The CDBG program also anticipates that an undeterminable amount of program income will be generated. Grantee communities that have an approved CDBG program income plan are allowed to retain the funds for further CDBG-eligible activities. Each year, local governments receiving CDBG program income are requested to file a report showing the status of program revenues and expenditures.

CDBG		
FFY 2005		
	<u>Minimum Amount</u>	<u>Maximum Amount</u>
Competitive Formula Retained for State Project Non-Competitive State Admin of Program		\$ 7,297,511
		\$ 328,789

HOME Investment Partnerships (HOME) Program

The HOME program, administered by the MDOC Housing Division, will receive \$4,594,104 for the plan year beginning April 1, 2005, 4.4 percent less than HUD's planning estimate. Funds will be used to develop affordable housing for low- and very low-income persons.

Additionally, in December 2003, the American Dream Downpayment Initiative (ADDI) was signed into law. ADDI provides for \$200 million each year from 2003 until 2007 to be allocated to HOME participating jurisdictions based on the percent of low-income renters in the jurisdiction relative to the



percent of low-income renters in the United States. The MDOC will receive \$164,842 for FFY 2005, 43 percent less than HUD's planning estimate.

The HOME program expects that an undetermined amount of program income will be generated from some previously awarded grants. HOME grantees with an approved program income plan are allowed to retain any program income generated and use the funds for HOME-eligible activities:

- If program income is earned by a grantee before closeout of a project, it must be added to funds committed to the project and used to support eligible activities before the grantee can request an additional drawdown of funds.
- If a grantee previously received a HOME award for a project that has not been closed out and they receive an additional HOME award at a later date, the program income from the earlier project must be expended on eligible activities under the new project before the grantee can request funds from its new grant allocation.
- If a grantee receives any program income after project completion and grant closeout, these funds must be reported on a quarterly basis to the HOME program and may be used for additional HOME eligible activities, according to the terms of the grant closeout agreement and approved program income plan.

HOME		
FFY 2005		
	<u>Minimum Amount</u>	<u>Maximum Amount</u>
Competitive Formula		\$ 4,238,545 *
Retained for State Project		
Non-Competitive		\$ 60,991 *
State Admin of Program		\$ 459,410
* Includes ADDI05 funds (\$164,842).		

Emergency Shelter Grant (ESG) Program

The Intergovernmental Human Services Bureau (IHSB) of the Montana Department of Public Health and Human Services (MDPHHS) anticipates that \$393,710 will be available through the ESG program.

ESG

FFY 2005		
	<u>Minimum Amount</u>	<u>Maximum Amount</u>
Competitive Formula		\$ 374,025
Retained for State Project		
Non-Competitive		
State Admin of Program		\$ 19,685

Continuum of Care Competitive (CoC) Grants

Continuum of Care competitive grants provide permanent and transitional housing to homeless persons. In addition, CoC grants fund services including job training, health care, mental health counseling, substance abuse treatment and child care. In late January 2005, Montana's statewide CoC was awarded nearly \$2.5 million in the 2004 competitive grants.

MONTANA'S STATEWIDE CONTINUUM OF CARE HOMELESS ASSISTANCE AWARDS FEDERAL FISCAL YEAR 2004		
Missoula Housing Authority	SPC	\$847,440
Western Montana Mental Health Center/Turning Point Addiction Services	SHPR	\$393,330
YWCA of Missoula	SHPR	\$35,240
YWCA of Missoula	SHPR	\$65,761
The Samaritan House	SHPR	\$63,000
Florence Crittenton Home and Services	SHP	\$373,639
Sanders County Coalition For Families	SHPR	\$56,964
District IV HRDC	SHPR	\$16,800
District 7 Human Resource Development Council	SHPR	\$63,000
Missoula Housing Authority	SPCR	\$126,360
Missoula Housing Authority	SPCR	\$304,200
Helena Housing Authority	SPCR	\$74,424
Helena Housing Authority	SPCR	\$74,424
Total		\$2,494,582
SPC – Shelter Plus Care; SPCR - Shelter Plus Care Renewal; SHPR – Supportive Housing Program Renewal; SHP – Supportive Housing Program		

Housing Opportunities for Persons With AIDS (HOPWA)

The IHSB expects that \$622,000 will be available in Montana for HOPWA services over the three-year period ending March 2005. The funding is Montana's share of a \$1.3 million, three-state (Montana, North Dakota, and South Dakota) grant award HUD announced in late 2001. The funds were part of competitively awarded grants for housing, services and technical assistance, primarily for new programs in rural areas that did not qualify for federal block grant funding for HOPWA.

In October 2004, the MDPHHS was awarded a HOPWA renewal grant of \$1,450,800 to continue operating the Tri-state Housing Environments for Living Positively (TS HELP) program. This program is a continuum of housing and related supportive service opportunities for people living with HIV/AIDS and their families serving these three states, which do not qualify for direct HOPWA formula grant funding. TS HELP is a

partnership between MDPHHS, and four private agencies in North Dakota, South Dakota, and Montana: the Sioux Falls Housing and Redevelopment Commission in South Dakota, Region VII Community Action Program in North Dakota, and Missoula AIDS Council and Yellowstone AIDS Project in Montana.

Low Income Housing Tax Credit (LIHTC) Program

The Montana Board of Housing (MBOH) administers the Low Income Housing Tax Credit program⁹. The Board receives authority to allocate the tax credit through the Internal Revenue Code. Annual authority is estimated at \$2,125,000.

OTHER RESOURCES AND PLANS

Numerous state and federal programs support the implementation of the state's Consolidated Plan. Interagency cooperation and coordination of state, federal, and local agencies and organizations is critical to the success of many projects.

The following summaries describe programs that either are in place or will be implemented in the near future. These plans support the overall implementation of Montana's Consolidated Plan with respect to affordable housing, public facilities, economic development, and homelessness.

Affordable Housing Revolving Loan Account Credit

Eligible individuals, corporations, partnerships, or small business corporations can contribute to the "affordable housing revolving loan account", which are eligible for a credit on their Montana tax return. For individuals, the credit is equal to 20 percent of the amount donated, up to \$10,000. For corporations, the credit is equal to 10 percent of the amount donated up to \$10,000. The credit may not be carried forward or carried back. In addition, the credit may not be claimed if the donation is taken as a deduction for tax purposes.

Elderly Homeowner/Renter Credit

An individual who has reached age 62 or older, has resided in Montana for at least 9 months of the tax period, has occupied one or more dwellings in Montana as an owner, renter, or lessee for at least six months of the claim period, and has less than \$45,000 of gross household income may qualify for the elderly homeowner/renter credit. If the amount of the credit exceeds the taxpayer's liability, the amount of the excess is refunded to the individual. The credit, which cannot exceed \$1,000, may be claimed even though the individual has no income tax filing responsibility. Consult the Montana Department of Revenue website at:

www.discoveringmontana.com/revenue/forindividuals/individualincome/incentivesiit.asp

⁹ The Consolidated Plan does not cover MBOH programs; the programs are included for informational purposes.

Property Tax Exemption

The 1999 Legislature enacted a bill exempting low-income rental housing property from taxation if low-income tax credits were allocated to the owner under federal law. Only the portion of the residential property dedicated to providing affordable housing for lower-income persons would be exempt. The property must meet additional restrictions by providing housing to an underserved population and providing a minimum of 50 percent of units to tenants at 50 percent of the median family income for the area.

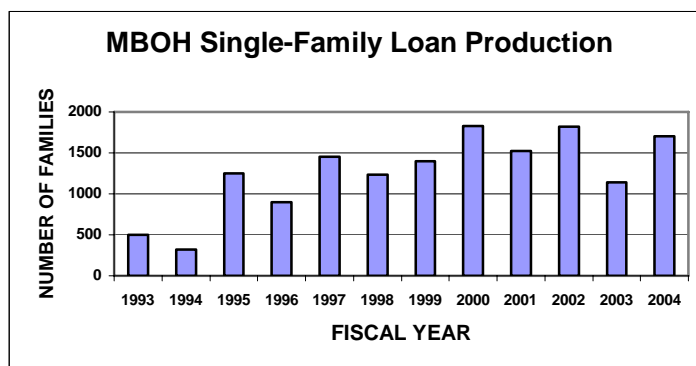
Montana Board of Housing Programs

The Montana Board of Housing¹⁰ was created by the Housing Act of 1975 in order to alleviate the high cost of housing for low-income persons and families. Funds are generated through either the sale of tax-exempt bonds or administrative fees. MBOH programs fall into three categories: home ownership, multi-family projects, and assistance to the elderly population. MBOH programs are often used in combination with HOME and CDBG funds, where the MBOH provides the permanent financing or equity financing.

Single Family Programs

Single Family Mortgage Program:

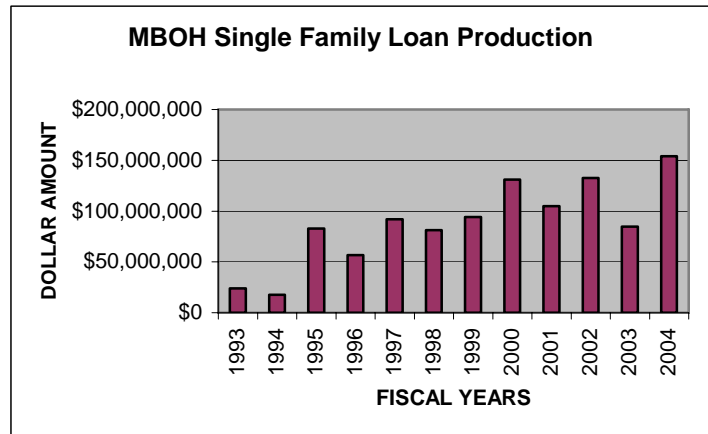
The MBOH works with about 280 lenders statewide to provide mortgages below conventional rates to assist primarily first-time homebuyers. MBOH anticipates assisting approximately 1,800 low- to moderate-income homebuyers with \$130 to \$160 million in low interest rate loans each year.



Mortgage Credit Certificate (MCC) Program: The MCC program, which began operation in April 2003, allows a qualified homebuyer to claim up to 20 percent of annual mortgage interest paid as a federal income tax credit. The remaining mortgage interest (80 percent) continues to qualify as an itemized deduction. The MCC may be used in conjunction with any conventional fixed or adjustable rate loan, FHA, VA or RD loans, or privately insured mortgage loans statewide, including loans made in Indian Country. During the first year, \$500,000 in credit authority assisted 23 eligible homebuyers.

¹⁰ The Consolidated Plan does not cover MBOH programs; the programs are included for informational purposes.

Single Family Recycled Mortgage Program: Through the use of recycled funds, MBOH is able to assist much lower income persons and families who do not have the financial capabilities to purchase safe and sanitary housing through other single family programs. The Board makes approximately \$20 million available for financing very low-income families per year. Since 1986, 3,539 families have achieved homeownership with \$171 million of recycled funds.



Disabled Accessible Affordable Home Ownership Program: The MBOH has a set aside of \$9.55 million to provide architecturally accessible homes for persons with permanent disabilities and mobility impairments. Through June 30, 2004, the MBOH financed 156 homes with nearly \$10 million in recycled mortgage funds. The average annual income of the households assisted is \$16,587 with an average loan amount of \$63,749.

Multi-Family Programs

MBOH issues tax exempt bonds to finance the construction of new, and rehabilitation of existing, low-income, multi-family housing. MBOH anticipates issuing bonds to finance projects that meet its requirements through the Multi-Family Risk Sharing program and its General Obligation Bond program.

Risk Sharing Program: The Risk Sharing program provides FHA mortgage insurance for the permanent financing of multi-family rental property through a partnership between MBOH and HUD. Through this program, the MBOH provides mortgage underwriting, loan management, and financing, and the two entities share the risk of loss from default.

General Obligation (GO) Bond Program: The General Obligation (GO) Bond program provides permanent mortgage financing for multi-family rental property. The program requires that the rental property owner agree to restrict the rents to a specific amount and to rent only to tenants below a maximum income level (generally 60 percent of median income). Currently this program is financing the permanent loans for projects receiving multiple sources of funding where rents on the projects are affordable to very low-income state residents.

Beginning in 1999, the Board issued Multi-Family Mortgage Bonds to preserve eight projects consisting of 434 units that were in jeopardy of being lost as affordable housing due to expiring HUD Preservation program contracts. In conjunction with other housing programs, the Board will continue to provide assistance to preserve affordable housing with expiring HUD contracts.

Reverse Annuity Mortgage (RAM) Loan Program

The RAM program enables elderly Montanans to benefit from an additional monthly income source by borrowing against the equity in their home. Eligibility is subject to certain age and income requirements. Currently a participant must be 68 years of age or older (some exceptions may apply). Loans of \$15,000 to \$100,000 are available at a 5 percent interest rate, based on 80 percent of the FHA determined property value. The loans do not require repayment as long as the homeowner remains in the home.

Low Income Housing Tax Credit (LIHTC) Program

The Low Income Housing Tax Credit program, established by Congress in the Tax Reform Act of 1986, is intended to provide for the retention, rehabilitation, and construction of low-income rental housing. The LIHTC program is administered by MBOH, which receives authority to allocate the tax credit through the Internal Revenue Code. Annual authority is estimated at \$2,125,000. Through the tax credit benefit, developers and owners of qualified housing receive an annual federal tax credit for 10 years, based on the eligible basis costs of the rental units provided to low-income individuals and families.

Affordable Housing Revolving Loan Fund

The Montana Legislature passed the Affordable Housing Revolving Loan Fund into law during the 1999 legislative session; however, funding was not provided. The 2001 Montana Legislature appropriated \$500,000 in Section 8 reserves and \$700,000 of Temporary Assistance to Needy Families (TANF) funds for the loan fund. A third source of funding is direct donations, which qualify for a tax credit. The MBOH administers the fund. The revolving loan fund can be used to provide financial assistance in the form of direct loans for the following purposes:

- Matching funds for public or private money available from other resources for the development of low-income and moderate-income housing;
- Bridge financing necessary to make a low-income or a moderate-income housing development feasible;
- Acquisition of existing housing for the purpose of preservation of or conversion to low-income or moderate-income housing; or
- Pre-construction technical assistance to eligible recipients in rural areas and small cities and towns.

Organizations eligible for loans from the revolving loan fund are local governments, tribal governments, local housing authorities, nonprofit community or neighborhood-based organizations, regional or statewide nonprofit housing assistance organizations, or for-profit housing developers. All interest and principal on loans from the funds must be repaid to the loan fund; however, the loans have a 50-year term.

Montana Department of Commerce, Housing Assistance Bureau Programs

In addition to administering the HOME program, the Housing Assistance Bureau contracts with HUD as the statewide Public Housing Agency (PHA) using an annual Contributions Contract to provide program administration and services on Section 8¹¹ low-income housing programs on a statewide basis.

Project Based Section 8

The Montana Project Based Section 8 (PBS8) Contract Administration program contracts with HUD for management and oversight activities for 101 contracts involving 4,271 fixed location affordable rental units in Montana. PBS8 conducts annual on-site management reviews for the entire contract portfolio, approves and processes payment vouchers to property owners and agents, renews expiring contracts, evaluates rent increase requests, ensures all health and safety problems are quickly corrected, and provides general management and advisory services to project owners and management agents on behalf of HUD.

Tenant Based Section 8

The Tenant Based Section 8 (TBS8) program, using 40 local field agents in eleven locations throughout the state, provides field services, including issuing assistance, performing inspections, and examining annual income for participants and landlords assisted by the Bureau's programs. Housing Choice Vouchers is the main program in TBS8, with a HUD baseline of 3,666 units, and an annual budget of \$17 million. Moderate Rehabilitation (Mod Rehab) is the other TBS8 program, with a budget of around \$3 million annually and serving over 400 families. In essence a project-based program, Mod Rehab owners receive subsidized rent for qualifying participants. TBS8 provides a list of prospective tenants and inspects the rental units annually to insure continued compliance with Housing Quality Standards. The Housing Choice Vouchers program also includes Self-Sufficiency and Homeownership programs.

Montana Department of Commerce, Treasure State Endowment Program

The Treasure State Endowment Program (TSEP)¹² is a state funded grant and loan program designed to assist local governments with the construction and repair of drinking water systems, wastewater treatment facilities, sanitary or storm sewer systems, solid waste disposal and separation systems, and bridges in order to solve serious public health and safety problems. The program provides funds for construction projects (grants and loans), preliminary engineering grants, and grants for emergency situations.

¹¹ This Consolidated Plan excludes the Section 8 programs; the programs are included for informational purposes.

¹² The Consolidated Plan does not cover TSEP; the program is included for informational purposes.

Eligible applicants for the TSEP program include any incorporated city or town, county, consolidated government, tribal government, and county or multi-county water, sewer or solid waste management district. Construction grants typically require a dollar-for-dollar match, however, the match can include other grants. Applicants are limited to requesting a maximum of \$500,000 for construction grants.

TSEP applications for funding construction projects are accepted in the spring preceding a legislative year. The applications are reviewed and ranked by the MDOC based on seven statutory priorities. Communities that are recommended for grant funds are required to have user fees that meet or exceed the community's "target rate." Target rates are based on a percentage of a community's median household income, making target rates a unique financial measure for each of Montana's communities and allowing TSEP staff to objectively compare the relative financial need of each applicant. The Governor reviews the MDOC's recommendations and submits recommendations to the Legislature. The Legislature makes the final decisions on funding awards. The following table summarizes the type of projects that have been awarded construction grants.

TSEP CONSTRUCTION PROJECTS APPROVED FOR FUNDING					
	Water	Wastewater / Storm Sewer	Combined Water / Wastewater	Solid Waste	Bridges
1993	10	5		2	2
1995	8	5			2
1997	10	11			1
1999	13	17			2
2001	11	17			3
2003	16	10	2	1	11
Total Approved	68	65	2	3	21
2005*	14	19	1		13

The total amount of TSEP dollars granted to complete the approved projects is over \$58 million.
The total cost to construct all the approved projects is over \$282 million.
* Forty-seven (47) applications for funding construction projects were received by the MDOC in 2004; funds will be awarded by the 2005 Montana legislature

New to the program starting in state fiscal year (SFY) 2002, were grants to produce preliminary engineering studies. These non-competitive grants are especially useful to smaller communities that have problems to solve, but do not have the financial resources necessary to produce a preliminary engineering report that is required in order to apply for funds needed to complete a construction project. Grants for preliminary engineering are limited to \$15,000 and require a dollar-for-dollar match, but the match cannot include other state grants. The program awarded approximately \$425,000 in grants to 40 communities and counties for preliminary engineering studies in the first biennium. With \$425,000 available again in SFY 2004-05, the program has awarded all of the new funds to 32 communities and counties.

Also new to the program in SFY 2002 were grants to remedy emergency situations. Grants for emergency projects are limited to \$30,000 and the applicant is expected to expend its own financial resources first. In the first biennium, the program awarded

\$78,871 to five projects that needed emergency funding. The program has \$100,000 available to award for emergency projects during SFY 2004-05 and has provided \$21,270 to three projects to date.

Montana Department of Natural Resources and Conservation, Renewable Resources Grant and Loan Program

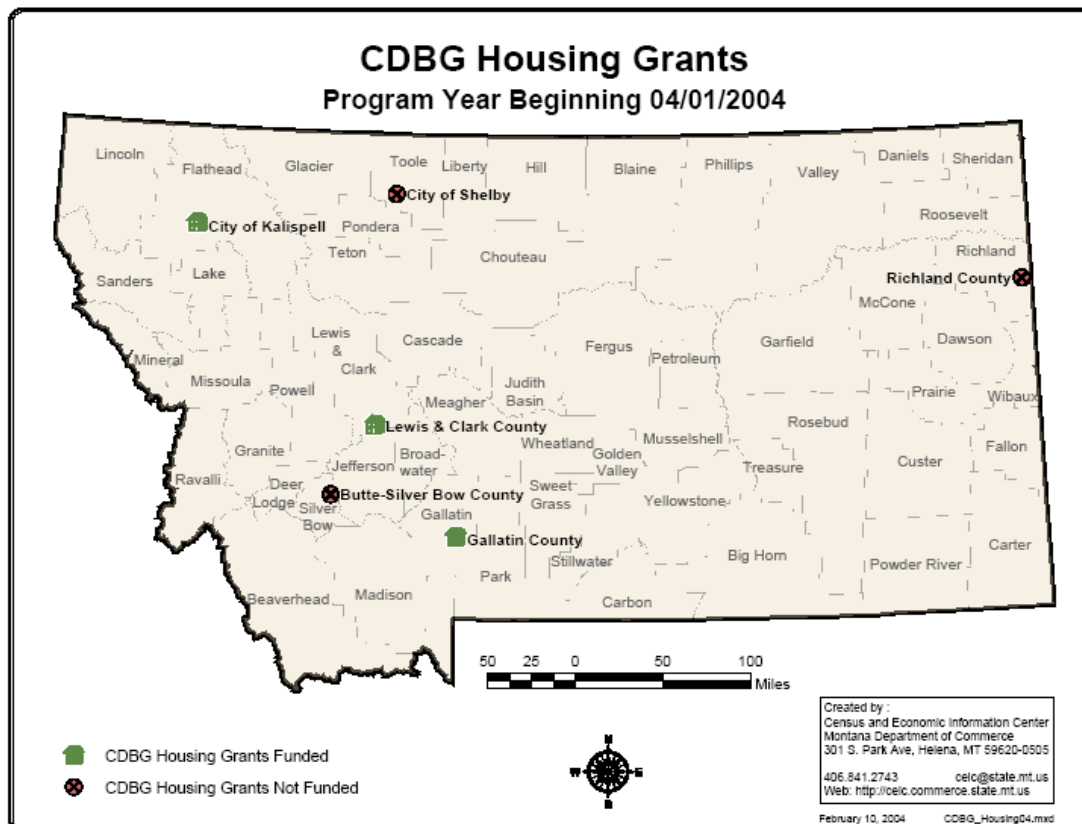
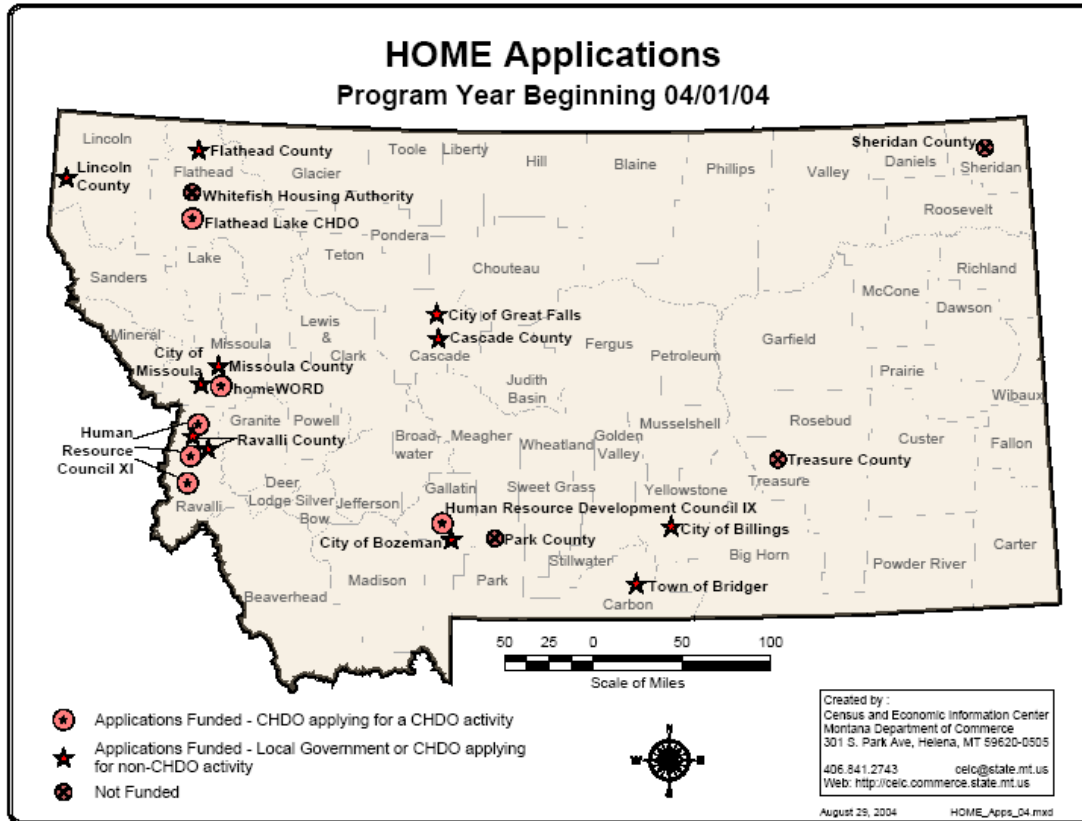
The Renewable Resources Grant and Loan (RRGL) program provides grant and loan funds to governmental entities for renewable resource projects that preserve, conserve, manage, and develop renewable resources. The Resource Development Bureau of the Montana Department of Natural Resources and Conservation¹³ administers the program. Grant funding is limited to \$100,000, and loan funds are available to the limit of the borrower's bonding authority. Interest subsidies for large loans are available subject to legislative approval. The RRGL program has \$4.0 million available for grant funding each biennium. The next round of applications will be due in May 2006. Project planning grants are available to provide funding for preliminary engineering and technical analysis needed to identify alternatives for projects that qualify for the renewable resource grant and loan program. Grants of up to \$10,000 are available, and must be matched on an equal basis by the project sponsor. Emergency grants of up to \$30,000 are available on an open cycle for projects that, if delayed, will result in substantial harm to public health or the environment.

GEOGRAPHIC DISTRIBUTION OF FUNDS

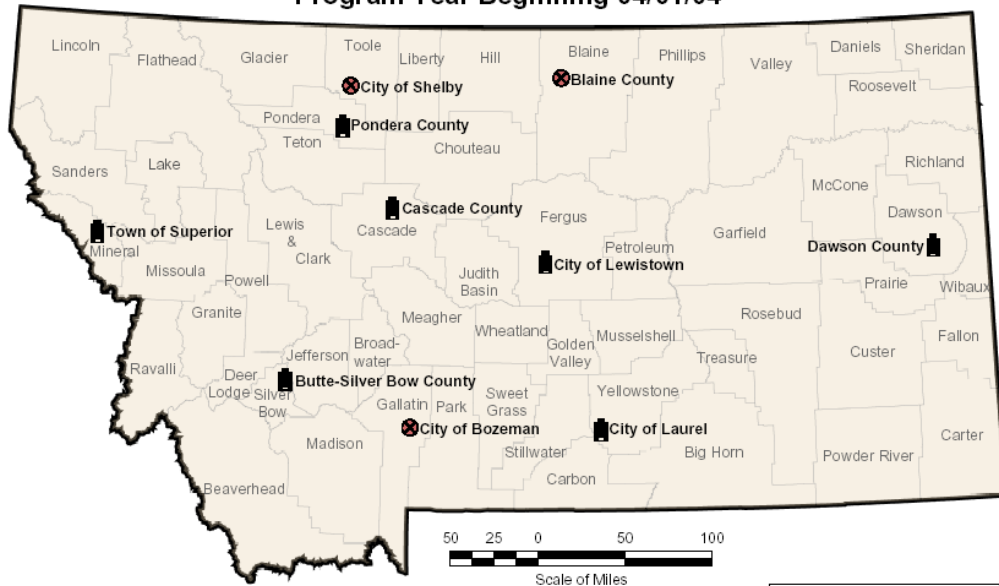
Housing and community development needs vary widely across Montana. The extreme diversity in available housing, age of housing stock, and overall range in population complicate the assessment of the type and degree of housing and community development needs. Because of the limited availability of resources and the extent of community development and housing needs, MDOC programs are implemented on a statewide competitive basis. Entities receiving CDBG and HOME funds must have previous grant awards substantially drawn down before they are eligible to apply for additional program funds. This method has been shown to disburse funds equitably throughout the state, allowing all groups an equal chance to apply for funds and providing an incentive for grant recipients to complete projects on a timely basis. Together, all funding methods, whether through a formula, as in the ESG grants, or competitive, as in CDBG and HOME grants, over time, tend to widely distribute grant assistance throughout the state. In order to view the geographic dispersion of last year's funding activities for CDBG and HOME, several geographic maps have been prepared.

¹³ The Consolidated Plan does not cover MDNRC programs; the programs are included for informational purposes.

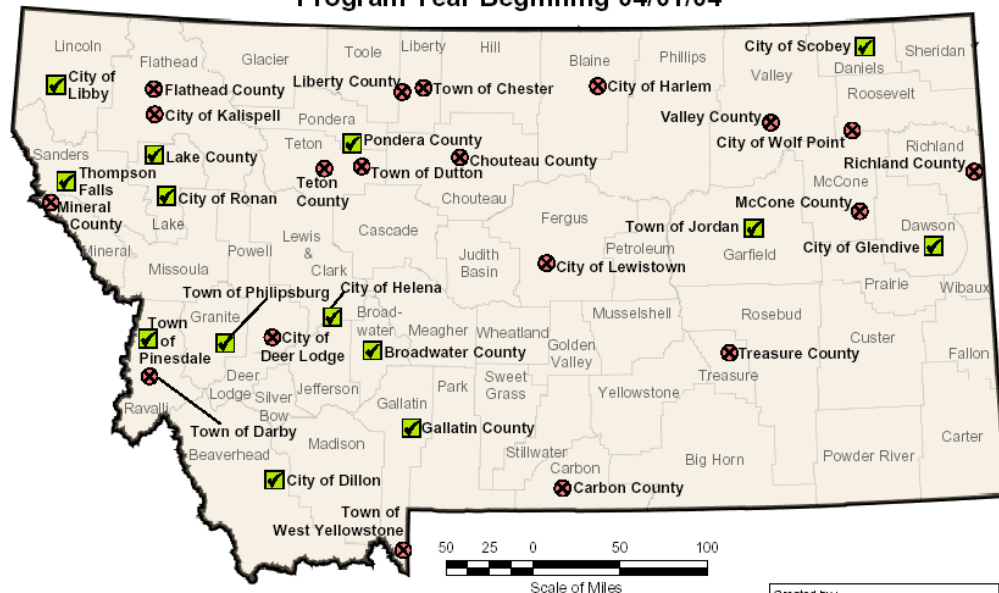
MAPS



CDBG Public Facility Grants Program Year Beginning 04/01/04

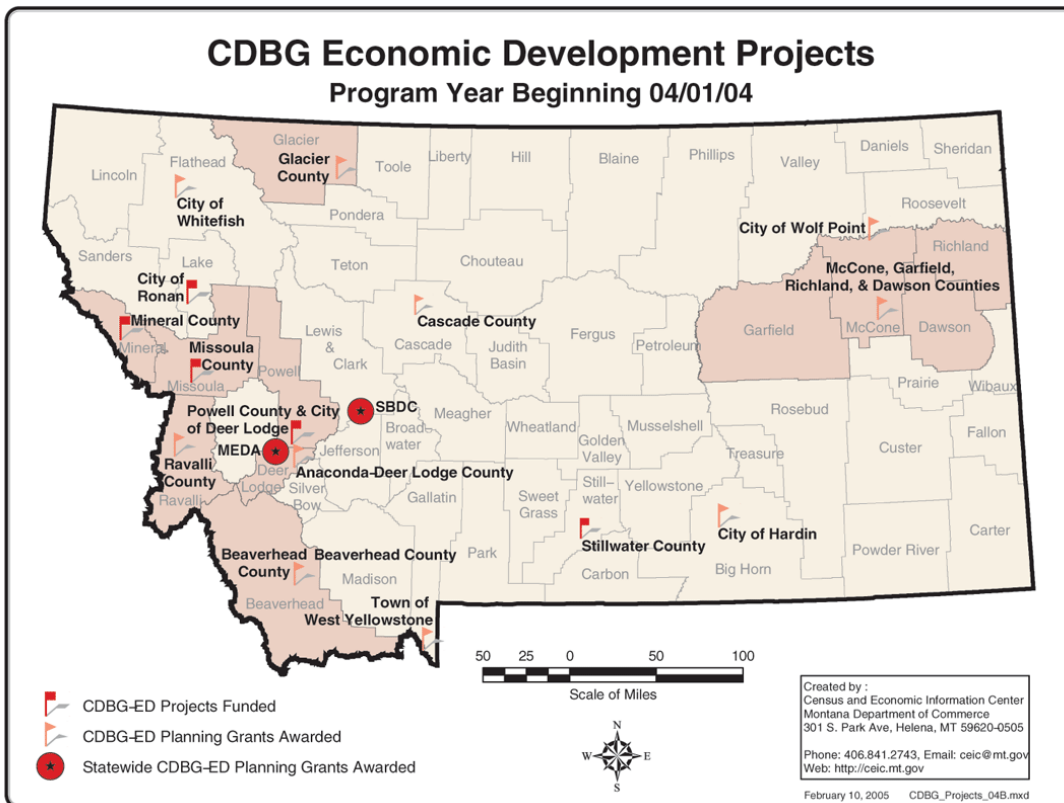


CDBG Planning Grants Program Year Beginning 04/01/04



CDBG Economic Development Projects

Program Year Beginning 04/01/04



ACTIVITIES

DELIVERY OF PROGRAM SERVICES AND METHOD OF FUNDS DISTRIBUTION

Community Development Block Grant

For several years, HUD has been placing increasing pressure on all of the states and cities administering the CDBG program to expedite the expenditure of their CDBG funds. Because, on the national level, Congress believes that local governments have been slow in completing their CDBG projects, HUD finds it very difficult to persuade Congress to maintain constant levels of funding for the program while billions of CDBG funds remain "in the pipeline" unspent. It has also been difficult for Congress to understand the lag that occurs between its approval of an annual appropriation for CDBG nationally and the actual expenditure of those funds by a local CDBG project. HUD staff believes that there is a very real possibility that CDBG funds could be cut significantly because of Congress' concerns.

MDOC typically receives notification of the amount of Montana's CDBG allocation for each federal fiscal year (FFY) in April, six months or more into that federal fiscal year. Until recently, applications for CDBG public facilities grants were due in May and the grant awards for that year's funds were announced in August or September. This resulted in at least a five-month delay between when MDOC received its fiscal year allocation and when public facility funds were awarded. Applications for CDBG housing grants were due in the fall and the grant awards were usually announced in mid-winter. The lag time between receipt of the state's CDBG allocation and housing grant awards was seven to eight months or longer.

Overall, Montana has had a good record of accomplishment in the expenditure of CDBG funds, ranking in the top quarter of states in its rate of spending. However, in response to Congress' concerns and with HUD's encouragement, the MDOC changed the funding cycle beginning with the FFY 2003 and 2004 CDBG programs. To accelerate the funding cycle, the MDOC conducted grant competitions for FFY 2002, 2003 and 2004 funding allocations during a 24-month period.

The objective of this one-time only event was to establish a long-term annual grant application cycle for future years that would provide for the ranking of both housing and neighborhood renewal and public facility applications in the calendar year before the actual receipt of the FFY CDBG allocation that will fund those projects. This allows MDOC to award grants to communities immediately upon notification of that year's CDBG allocation. Grants are awarded in order of the ranking scores assigned during the previous calendar year's grant competition, based on the amount of funds allocated to the housing and neighborhood renewal and public facilities project categories. This eliminates the lag time between the receipt of the state's CDBG allocation and the award of those funds, as described above.

General-purpose local governments, towns and cities under 50,000 in population and counties, are eligible applicants for CDBG funds. Funds distribution for the CDBG **Housing and Neighborhood Renewal** category and the **Public Facility** category is based on annual grant competitions. The maximum grant request in each category is \$500,000. Existing grantees must significantly drawdown their current funds before they are eligible to apply for additional program funds. Each local government may apply for one housing and neighborhood renewal project and one public facility project each program year. Montana's three entitlement cities, Billings, Great Falls, and Missoula are not eligible to apply for state CDBG funding since they receive their own CDBG funds directly from HUD.

The CDBG program sets aside funds for **Planning Grants** related to housing and neighborhood renewal and public facilities. The planning grant category is also based on an annual competition. Eligible applicants are the same as for the housing and neighborhood renewal and public facility categories. Planning grants can be used for a variety of planning activities including the initial planning necessary to get a project under way; conducting other community planning activities such as preparing or updating a comprehensive plan or growth policy; or preparing a neighborhood redevelopment plan, a housing study, preliminary engineering or architectural report, capital improvement plan, or similar planning processes needed to help a community address critical needs. The maximum planning grant ceiling is anticipated to be \$15,000 for the plan year.

The state does not elect at this time to set forth community revitalization activities as a principal grant activity. Local government grantees are urged to consider community revitalization activities as a complimentary activity to one of the basic eligible housing and neighborhood renewal or public facilities activities, such as doing neighborhood revitalization (demolition, clean up, park development) in conjunction with a traditional housing rehabilitation project. In addition, planning for community revitalization is an eligible activity for a planning grant.

A public hearing on the CDBG Application Guidelines for FFY 2005 funds for economic development and planning grant funds (within the housing and neighborhood renewal and public facilities categories) and for FFY 2006 funds for housing and neighborhood renewal and public facility grants will be held on **February 8, 2005** with written comments being accepted through 5:00 P.M., on **February 15, 2005**. **Since the comment period closes after the Annual Action Plan is due to HUD, any changes to the CDBG Application Guidelines will result in an amendment to the Annual Action Plan.**

During calendar year 2005, the CDBG program anticipates applications for funds will be accepted as follows:

- FFY 2005 Planning Grants-Housing & Neighborhood Renewal
and Public FacilitiesApril 22, 2005
Grant Announcement June 2005

- FFY 2006 Public Facilities Grants May 27, 2005
Grant Announcement..... September 2005
- FFY 2006 Housing & Neighborhood Renewal Grants November 4, 2005
Grant Announcement..... February 2006

The FFY 2005 public facilities category application deadline was May 28, 2004. Grant awards for approximately \$3.2 million in CDBG funds were announced in late October 2004. The housing and neighborhood renewal application deadline for FFY 2005 funds, approximately \$1.4 million, was November 19, 2004 with grant announcements expected in March 2005.

The **Economic Development** component of the CDBG program receives one-third, or approximately \$2.4 million, of the annual allocation to the state of Montana. It is anticipated that the CDBG-ED Guidelines will be available in February 2005 and the CDBG-ED Planning Grant Guidelines will be available in May 2005. Applications are received and funds are awarded on a continuous cycle until all funds are committed. Once all funding is obligated, project development and funding awards may occur in anticipation of the next year's funding allocation.

Eligible applicants are local governments, which usually contract with local development organization to loan funds to for-profit businesses that agree to create jobs for low- and moderate-income persons.

The maximum funding amount is \$400,000 per local government in a program year. Communities can continue to apply for funding throughout the program year until they have reached the maximum amount of \$400,000 per local government. The applicant business must prepare a business plan and meet certain thresholds, including providing a 1:1 dollar match. Each application is reviewed by MDOC staff and a loan review committee that makes recommendations to the MDOC Director. The Director makes a final funding decision.

Project development and technical assistance are provided by the CDBG-ED Staff and the MDOC Regional Development Officers (RDOs). The RDOs, assigned specific territories within the state, work one-on-one with local officials, local development organizations, and CDBG-ED staff from the project idea stage through the CDBG-ED application process. (See Appendix D, page D-17, for a map of the RDO areas.)

The Business Resources Division sets aside approximately \$225,000 in CDBG-ED funds for economic development planning, capacity building, and technical assistance grants. For plan year 2005, the BRD intends to use the set-aside funds for activities similar to those funded in recent years, but will establish specific application policies by May 2005. The policies will specify funding priorities, application procedures, and amounts available at that time for each subcategory. Funds not utilized for this category may be used for the regular CDBG-ED program.

HUD Section 108 Loan Guarantees will be available under exceptional circumstances. These loans will be available subject to the analysis and discretion of the MDOC Loan Review Committee and contingent upon the local government applicant and financing packager receiving assistance from an organization or individual consultant experienced with structuring Section 108 projects.

The CDBG-ED program also administers the EDA/CDBG Revolving Loan fund, a state-administered EDA revolving loan fund, matched with CDBG funds, and administered under CDBG guidelines. The program also provides assistance to Montana's emerging revolving loan fund industry.

The CDBG-ED program is a major player in economic development financing in Montana. Economic development projects have leveraged private lender funds and federal funds, including those from the U.S. Small Business Administration SBA 7a and 504 programs, U.S. Department of Commerce Economic Development Administration (EDA), and USDA Rural Development programs. Economic development projects have also leveraged funds available from state programs such as the Montana Board of Investments and the Montana Department of Agriculture's "Growth through Agriculture" program. For matching funds, the CDBG-ED program requires one non-CDBG dollar for each dollar of non-administrative CDBG funds requested. For program years April 2000 through March 2004, more than \$12.2 million of CDBG-ED funds were awarded to 56 different local governments, leveraging approximately \$161 million of private, state, and federal funds.

Specific guidelines that relate to the individual CDBG programs may be obtained by contacting the MDOC or by viewing the programs' websites at the following addresses:

- CDBG Public Facilities and Housing & Neighborhood Renewal:

http://commerce.mt.gov/CDD_CDBG.asp

- CDBG Economic Development:

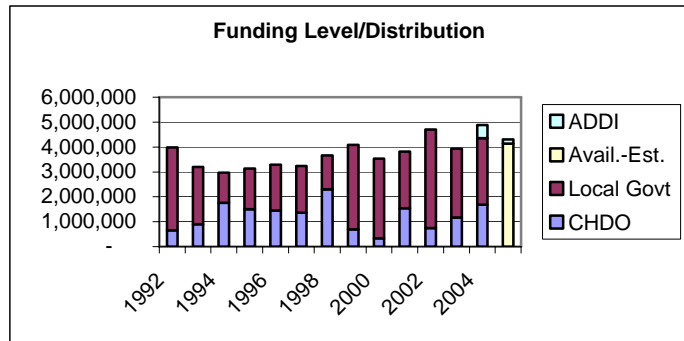
http://commerce.mt.gov/BRD_CDBG.asp

HOME Investment Partnerships Program

The HOME program, through a process of application and competitive ranking, will commit project funds in the second quarter of 2005. This timing allows better alignment with the construction season and better coordination with projects that involve Low Income Housing Tax Credits. Joint application workshops for the program year beginning 2005 were held in Miles City on October 13, 2004, Lewistown on October 19, and Missoula on October 21. In addition to the HOME program, the CDBG program, the Montana Board of Housing, and USDA Rural Development participated in the joint housing application workshops. Advance public notification of the dates and locations of all workshops was provided to possible applicants.

Program funds for HOME are distributed through a competitive process of grant applications with a deadline date of March 4, 2005. Eligible applicants include general-purpose local governments (counties, incorporated cities and towns, and consolidated city-county governments), Community Housing Development Organizations certified by the MDOC, and Montana public

housing authorities. The maximum request for a HOME project is \$500,000 (including soft costs) for homebuyer assistance, homeowner rehabilitation, rental rehabilitation, tenant based rental assistance (TBRA), and new construction. CHDOs receive a minimum 15 percent set-aside of each fiscal year allocation to perform ownership, sponsorship, and development of housing activities. Grantees (including all entities of a joint application) currently administering a HOME grant are eligible to apply for an additional HOME grant if:



- The grantee is in compliance with the project implementation schedule contained in its HOME contract with MDOC;
- There are no unresolved audit, monitoring, or performance findings for any previous HOME grant awarded to the applicant;
- Any open 2003 or 2004 grant has 75% of the project funds drawn down by March 4, 2005; and
- All grants over two years old (FFY 2002 and earlier) are completed and conditionally closed out before March 4, 2005.

The majority of the MDOC's ADDI funds will be granted according to the existing HOME program allocation process through competitive applications. A household may receive a maximum of \$10,000 in ADDI funds. However, grantees may combine ADDI funds with regular HOME funds to provide more assistance to a household. Grantees that receive ADDI funds must demonstrate that they are conducting outreach to residents of public and manufactured housing. Additionally, recipients of ADDI funds must complete a homebuyer education course and must provide documentation to verify they are first-time homebuyers.

A portion of Montana's ADDI funds will be allocated non-competitively to the state's three entitlement cities: Missoula, Great Falls, and Billings, which are not large enough to receive an ADDI allocation. Since the MDOC's allocation of ADDI funds is based upon the number of low-income renters in the state relative to the number of low-income renters in the nation, the MDOC will grant funds to Missoula, Great Falls, and Billings based on the number of low-income renters in each city relative to the number of low-income renters in Montana. The cities will not be required to submit applications to the

MDOC, but will be required to demonstrate a viable plan for disbursing the ADDI funds in a timely manner.

Specific guidelines that relate to the HOME program may be obtained by contacting the MDOC Housing Division or by viewing the program's website at the following address:

http://housing.mt.gov/Hous_HM.asp

Emergency Shelter Grant Program

The **Emergency Shelter Grant program** will continue to use HUD funds to improve the quality of existing emergency shelters for the homeless, meet the costs of operating shelters and provide essential social services to help prevent homelessness. Ninety-five percent of the funds received will be allocated to the 10 regional Human Resource Development Councils (HRDCs) in Montana. While the funds available to the ESG program are less than those allocated to Montana's HOME and CDBG programs, the regional organizations are extremely dependent on the assistance received from the yearly allocation.

The 10 regional Human Resource Development Councils receive 95 percent of the \$393,710 of HUD funds allocated under this program. Funds are distributed based on a formula allocation contained in Administrative Rules of Montana, ARM 53-10-502, pertaining to the Community Services Block Grant. This allocation reflects areas of poverty and general population.

Contact the Montana Department of Public Health and Human Services to obtain more information on and guidelines for the ESG program (Jim Nolan, Intergovernmental Human Services at 406-447-4260).

Housing Opportunities for Persons With AIDS Program

The Intergovernmental Human Services Bureau of the MDPHHS administers the three-state HOPWA program known as Tri-State HELP (TS HELP). Serving Montana, North and South Dakota, which do not qualify for direct HOPWA formula funding, TS HELP is a continuum of housing and related supportive services opportunities for people living with HIV/AIDS and their families. The mission of TS HELP is to provide access to affordable housing and supportive services to people living with HIV/AIDS and their families in a dignified manner. Tri-State HELP is a partnership between the MDPHHS, and four private agencies: the Sioux Falls Housing and Redevelopment Commission in South Dakota, Region VII Community Action Program in North Dakota, and Missoula AIDS Council and Yellowstone AIDS Project in Montana.

The project received \$1,309,501 in December 2001 as a three-year competitive grant under HUD's HOPWA program to provide tenant-based rental assistance, emergency assistance, and housing coordination services to an estimated 70 individuals living with AIDS/HIV and their families. TS HELP represented the first multi-state HOPWA

competitive application, and thus presented an innovative model for delivery of HIV/AIDS housing and related social services.

In October 2004, the MDPHHS was awarded a HOPWA renewal grant of \$1,450,800 to continue operating TS HELP. Over the three-year grant period, they will provide 100 tenant-based rental assistance subsidies, 55 short-term rent subsidies, and housing coordination services to an estimated 155 individuals living with HIV/AIDS and their families.

Program goals for TS HELP include:

- Improving coordination among housing and service providers in each state, including better integration of service delivery.
- Identifying service gaps and financial needs of people living with HIV, and develop strategies to address them. Strategies should acknowledge geographic differences between cities and rural areas.
- Developing an evaluation that measures the effectiveness of stable housing for clients and how the TS HELP program improved the quality of their life.

SPECIAL NEEDS AND MINORITY POPULATIONS

The Homeless

Breaking the long-term cycle of homelessness, tempered by short-term shelter, cannot be accomplished by building more shelters or facilities alone. Real help is enabling the homeless to rely on themselves. Besides a lack of shelter, homelessness involves a variety of unmet physical, economic, and social needs. A comprehensive, coordinated system of homeless assistance is comprised of a wide array of services, tools, and opportunities for the homeless. Homeless services will include a prevention strategy and will help the homeless in stages—to take them from an emergency shelter to permanent housing. The first stage involves emergency shelters. Here the homeless are provided with immediate shelter and assessed in order to identify an individual's or family's needs.

The second stage offers transitional housing and necessary social services. Included in these services are mental health and substance abuse counseling, vocational rehabilitation, education, family support, child care, independent living skills training, job training and placement, and employment opportunities where the homeless can both acquire and put to use new work skills.

The final stage is permanent housing or permanent supportive housing arrangements. While all three stages may not be needed by everyone, the community will have them available as part of the coordinated, comprehensive plan.

Continuum of Care

The Montana Continuum of Care (MT CoC) for the Homeless Coalition is a statewide collaboration of diverse homeless service providers, nonprofit organizations, and local and state governments. The coalition was formed to address homelessness with very few resources to cover Montana's vast geographical area. The system is predicated upon community and regionally based continuum of care systems, which form the statewide coalition and continuum of care process.

The MT CoC's mission is to maximize the resources that can be brought to bear in overcoming homelessness, to collectively direct the most efficient use of limited resources and to promote a unified system of outreach, referral, information sharing, planning, and service. The MT CoC participants share the benefit of leveraging each other's resources and efforts to provide increased and coordinated services to all homeless across the state.

Participation in the statewide coalition is open to anyone interested and new members are continually encouraged and recruited. Participants include representatives from local and state government, public housing authorities, regional HRDCs, and other nonprofit organizations representing the homeless, housing and service providers, emergency shelters, domestic abuse shelters, veterans organizations and mental health centers.

The CoC identifies, prioritizes, and supports projects and activities that enhance the integration and coordination of homeless services in Montana. Each community is encouraged to develop a local continuum in response to specific needs. Based on the local continuum, potential projects are identified and presented to the coalition. The group constructively critiques each project and provides comments and suggestions such as other possible funding sources and leveraging avenues. Projects are also critiqued based on the needs of the community and the integration of the project in relation to the overall statewide CoC. The coalition operates on consensus-based decision-making to identify projects most needy and worthy of support. The MT CoC then prepares a single, coordinated application in response to the Notice of Funding Availability (NOFA) for Shelter Plus Care and Supportive Housing.

Continuum of Care: Housing Gaps Analysis Chart				
		Current Inventory in 2004	Under Development in 2004	Unmet Need/ Gap
Individuals				
<i>Example</i>	<i>Emergency Shelter</i>	100	40	26
Beds	Emergency Shelter	450	0	87
	Transitional Housing	177	73	314
	Permanent Supportive Housing	128	15	598
	Total	755	88	1,087
Persons in Families with Children				
Beds	Emergency Shelter	275	0	89
	Transitional Housing	230	0	574
	Permanent Supportive Housing	24	0	550
	Total	529	0	1,213

Continuum of Care Homeless Population and Subpopulations Chart				
Part 1: Homeless Population		Sheltered	Unsheltered	Total
		Emergency	Transitional	
<i>Example:</i>		75 (A)	125 (A)	105 (N) 305
1. Homeless Individuals		295 (N)	233 (N)	869 (N) 1,397 (N)
2. Homeless Families with Children		48 (N)	42 (N)	417 (N) 507 (N)
2a. Persons in Homeless Families with Children		133 (N)	118 (N)	1,166 (N) 1,417 (N)
Total (lines 1 + 2a)		428 (N)	351 (N)	2,035 (N) 2,814 (N)
Part 2: Homeless Subpopulations		Sheltered	Unsheltered	Total
1. Chronically Homeless		171 (N)	117 (N)	288
2. Severely Mentally Ill		106 (N)	Optional for Unsheltered	
3. Chronic Substance Abuse		127 (N)		
4. Veterans		67 (N)		
5. Persons with HIV/AIDS		47[46 HOPWA] (N)		
6. Victims of Domestic Violence		129 (N)		
7. Youth (Under 18 years of age)		147 (N)		

The continued role of the statewide Continuum of Care is critical in meeting the needs of the homeless population in Montana. The coalition has formulated the following actions to promote and guide the group's work plan:

- ☐ Continue to conduct an annual statewide survey and resources inventory to count and assess homeless needs;
- ☐ Participate in the Montana Council on Homelessness;
- ☐ Inventory all state discharge policies and practices and promote evaluation of best practices and the adoption of new policies when needed;
- ☐ Implement a Homeless Management Information System (HMIS);
- ☐ Collect, analyze, publish and distribute survey findings;

- ☐ Conduct a minimum of five meetings annually;
- ☐ Continue to explore options for initiating a statewide uniform intake and referral system;
- ☐ Contribute to the annual update of the state Consolidated Plan.

Elderly and Frail Elderly

In Montana, the elderly demographic transformation over the next several years raises concerns about future implications for state and federal governments. The increase in Montana's aging population will have a significant impact on the state.

AGE PROFILE								
Census 1990 vs. 2000								
United States					Montana			
AGE	1990	2000	% Change	% Total	1990	2000	% Change	% Total
Under 20 years	71,321,886	80,473,265	12.8%	28.6%	244,346	257,440	5.4%	28.5%
20 to 24 years	19,020,312	18,964,001	-0.3%	6.7%	47,769	58,379	22.2%	6.5%
25 to 34 years	43,175,932	39,891,724	-7.6%	14.2%	123,070	103,279	-16.1%	11.4%
35 to 54 years	62,801,989	82,826,479	31.9%	29.4%	209,062	277,029	32.5%	30.7%
55 to 64 years	21,147,923	24,274,684	14.8%	8.6%	68,321	85,119	24.6%	9.4%
65 & over	31,241,831	34,991,753	12.0%	12.4%	106,497	120,949	13.6%	13.4%
U.S. Census Bureau								

As the Baby Boom generation (those born between 1946 and 1964) reaches retirement age, the growth of the elderly population (65 and over) is expected to accelerate rapidly. The proportion of Montana's population classified as elderly is expected to increase from 13.4 percent in 1995 to 24.4 percent in 2025¹⁴. In Montana, the elderly demographic transformation over the next several years raises concerns about future implications for state and federal governments. The increase in Montana's aging population will have significant impact on the state. According to the 2000 Census, 13.4 percent of Montanans are over age 65, higher than the national average of 12.4 percent. At 9.4 percent of Montana's total population, the 55 to 64 age group is also higher than the national average, 8.6 percent. The 55 to 64 years and the 65 and over age categories also showed increases from 1990 to 2000 that were higher than the national average, with the 65 and older age group increasing by 13.6 percent and those aged 55 to 64 increasing by 24.6 percent. In comparison, the national increase in these age groups was only 12.0 percent and 14.8 percent, respectively.

- ☐ At 13.4 percent, Montana has the 14th highest percentage amongst states for people 65 years of age or older.
- ☐ Montana is 17th in percentage of people 85 and over.

¹⁴ *Measuring the Years: State Aging Trends & Indicators Data Book*, Center on an Aging, Society Health Policy Institute, Georgetown University for the National Governors Association Center for Best Practices, August 2004; <http://www.nga.org/center/databook04/>

- ❑ The 2000 census showed Montana had 162 people who were 100 years old or older. Over 50,000 people in the U.S. were 100 years old or older.¹⁵
- ❑ By 2025, the percentage of Montanan's people 65 years of age or older is expected to rise to 24.4 percent, ranking it third in the nation. The percent of the population 85 and older is expected to be 3.1 percent, moving the state's ranking to fourth.¹⁶

The lack of affordable housing is a problem for many of Montana's citizens. The gap between Montana's lower income citizens and access to affordable housing is widening. Poverty continues to grow. Montana's poverty rate was estimated to be 14.1 percent in 2000, 13.3 percent in 2001, and 13.5 percent in 2002. This translates into more than 128,355 Montana citizens at or below the poverty lines, as defined by the federal government.¹⁷ Housing prices continue to rise, making it more difficult for individuals to afford their own homes. The increasing pressures on the rental markets, in turn, drive up housing prices.

Individuals 80 and older require more health services and/or assisted living facilities. The demand for assisted living is determined by the size of the elderly population in need of assisted services, the level of income available to the senior, other types of senior living arrangements available to the person, and the level of health and other services for the elderly available in the community.

The MDOC intends to further analyze and report on the needs of its elderly population and the demand for assisted living in the state in the coming plan year in order to assist local communities to determine if assisted living housing is a viable option for them.

Persons with Disabilities

The 2000 U.S. Census enumerated 145,732 people over the age of five living in Montana with a disability (17.5 percent of the population). Many people with disabilities had more than one disability resulting in a total number of disabilities tallied of 258,723. The U.S. Census considers people five (5) years old and over to have a disability if they have one or more of the following:

- Blindness, deafness, or a severe vision, or hearing impairment;
- A substantial limitation in the ability to perform basic physical activities, such as walking, climbing stairs, reaching, lifting, or carrying;
- Difficulty learning, remembering, or concentrating; or
- Difficulty dressing, bathing, or getting around inside the home.

¹⁵ *The State of Aging in Montana 2001*, MT Department of Public Health & Human Services

¹⁶ *Measuring the Years: State Aging Trends & Indicators Data Book*, Center on an Aging, Society Health Policy Institute, Georgetown University for the National Governors Association Center for Best Practices, August 2004; <http://www.nga.org/center/databook04/>

¹⁷ *Economic and Demographic Analysis of Montana*, Volume I, December 2004

In addition to the above criteria, people 16 years old and over are considered to have a disability if they have difficulty going outside the home alone to shop or visit a doctor's office. People 16 to 64 years old are considered to have a disability if they have difficulty working at a job or business. Disability becomes more common as people age; the 2000 U.S. Census identified 40 percent of Montana's senior citizens as living with a recognizable disability. With the general demographic aging trend due to the baby boom generation, people with disabilities will constitute a greater percentage of the total population in years to come. Many Montana families experience disability; either directly or through providing aid and assistance to a family member with a disability.

The *Economic and Demographic Analysis of Montana*¹⁸ reports that 19.7 percent of people with disabilities live in poverty, in comparison to Montana's overall poverty rate of 14.1 percent. Adults with disabilities are significantly less likely to be employed and possess a lower level of educational attainment than the population as a whole. This contributes to a greater general level of economic disadvantage among the disabled in Montana.

For more information on the economic and demographic characteristics of Montana residents with disabilities, see the appendix to Volume II of the *Economic and Demographic Analysis of Montana*.¹⁹

Persons with disabilities require supportive services in conjunction with the provision of affordable housing. Those persons with non-mobility related disabilities often require extensive special services, particularly those who are chronically homeless, chemically dependent, or mentally disabled. These individuals experience ongoing daily functioning difficulties because of their illness and many are unable to work due to their profound disabling illness.

The vast majority of Montanans living in the community who are severely disabled rely upon Social Security Income (SSI) or Social Security Disability Income (SSDI) and other public entitlement programs to pay for their living expenses. Effective January 2005, SSI income in Montana is \$579 per month, or \$6,948 annually, for an eligible individual and \$869 a month, \$10,428 annually, for an eligible couple.²⁰

According to the national study *Priced Out in 2002*²¹, in 2002, SSI of \$545 per month, or \$6,540 per year, represented only 22 percent of the one-person average median income for the state of Montana. People with disabilities receiving SSI benefits are among the lowest income households in Montana. On average, the *Priced Out in 2002* study documents that people with disabilities living on SSI income (in 2002) would pay

¹⁸ *Economic and Demographic Analysis of Montana*, Volume II, Demographic Analysis, Center for Applied Economic Research, Montana State University-Billings, December 2004.

¹⁹ *Economic and Demographic Analysis of Montana*, Volume II Appendix, Disability Data, Center for Applied Economic Research, Montana State University-Billings, December 2004.

²⁰ Social Security Online website: <http://www.socialsecurity.gov/>; *Answers to your Questions - 2005 Social Security Changes*:

²¹ Technical Assistance Collaborative and Consortium for Citizens with Disabilities Housing Task Force, May 2003

73 percent of their income for the Montana average HUD Fair Market Rent levels for a one-bedroom unit. (See table below.) When the percentage of income spent on housing costs exceeds 50 percent, the household is considered to be “severely” rent burdened and have “worst” case needs for housing assistance. On a national level, it is estimated that 25 percent of the households in the United States with “worst case” housing needs are people with disabilities.

In the absence of housing assistance, people with disabilities who rely on SSI income are likely to have few resources left over for food, medicine, and other necessary living expenses after housing expenses are paid. The result is that many will live in substandard housing, live in danger of becoming homeless, or in fact become homeless.

HOUSING AFFORDABILITY IN MONTANA						
State Statistical Area	SSI Monthly Pmt ^A	% SSI for 1-Bdrm	% SSI for Efficiency Apt. ^B	SSI as % Median Income	SSI as an Hourly Rate ^C	Housing Wage
Montana						
Billings	\$545.00	76.1%	65.5%	19.2%	\$3.14	\$7.98
Great Falls	\$545.00	75.8%	65.5%	22.3%	\$3.14	\$7.94
Missoula	\$545.00	76.9%	65.5%	20.7%	\$3.14	\$8.06
Non-Metropolitan Areas	\$545.00	71.5%	62.2%	23.6%	\$3.14	\$7.50
State Average	\$545.00	73.3%	63.4%	22.4%	\$3.14	\$7.69
^A Federal SSI benefit for people with disabilities living independently in the community						
^B Percent of monthly SSI benefit needed to rent a modest studio apartment at HUD's Fair Market Rent						
^C SSI benefit expressed as an hourly wage for a full-time job						
Source: <i>Priced Out in 2002</i> , Technical Assistance Collaborative and Consortium for Citizens with Disabilities Housing Task Force, May 2003						

HIV/AIDS

Prior to 1997, housing needs were different than they are today. At that time, nearly all persons with HIV/AIDS were disabled by health reasons and qualified for disability determination, and thus disability income. The need for low-income housing was prevalent for these clients. However, local advocates, working within their communities, were often able to make a hardship case that these individuals should move to the front of the waiting list because of serious health concerns and the probability that they would not live a great deal longer. The advent of effective medical treatment has changed that scenario. People infected with HIV are able to maintain a much healthier status and frequently do not qualify for disability determination. Though they are healthier, they may not be able to work full time and they continue to need low-income housing. They also need housing in proximity to major healthcare centers to receive the extensive and specific treatment they will require for the remainder of their lives. Because their health status is improved, it is not as easy to make a hardship case to move them up in the waiting list, and it is more likely they will need low income housing for a much longer period of time.

As of December 31, 2003, a cumulative total of 612 cases of Human Immunodeficiency Virus (HIV) and Acquired Immunodeficiency Syndrome (AIDS) had been reported to the Montana Department of Public Health and Human Services (DPHHS) since 1985. In 2003, HIV/AIDS was the eighth most common reportable disease in Montana with a combined total of 29 (10 AIDS, 19 HIV) cases reported. Approximately 347 individuals aware of their infection are known to be living with HIV/AIDS in Montana. An estimated 66 percent of these individuals have been diagnosed with AIDS. Forty of the state's 56 counties have reported at least one HIV/AIDS case since 1985. Montana remains a "low incidence" state with respect to HIV/AIDS, reporting fewer cases annually than all other states except Wyoming, and North and South Dakota.²²

The geographic distribution of Montana's HIV/AIDS cases closely reflects the state's overall population distribution. Montana's eight largest counties account for approximately 80 percent of all reported HIV/AIDS cases since 1985. Cases reported during the last two years show no significant change. In fact, nearly 90 percent of all cases identified in the last two years resided in the eight largest counties.²³

Currently, HIV/AIDS does not appear to have had a disproportionate impact on Montana's American Indian population. American Indians represent approximately 6 percent of the state's population and represent 7 percent of the HIV/AIDS cases reported. Fortunately, the state has not experienced the increase in cases among racial/ethnic minority groups experienced by larger urban areas of the nation. While the number and characteristics of cases among American Indians differs little from those of the general population, other markers of potential HIV risk (teen pregnancies, STD rates) suggest an increased level of risk among American Indians when compared to non-Indian populations.²⁴

Addictive and Mental Disorders

People with serious disabling mental illness are served through mainstream subsidized housing programs throughout Montana, but are most strongly impacted by the general shortage of affordable housing in many communities in Montana. Efforts by people with mental illness to find decent, stable, affordable, and safe housing are hampered by their very low fixed incomes, diminished daily living skills, stigma related to mental illness, difficulty presenting well to prospective landlords, lack of specialized housing services, and the general shortage of affordable housing. As a group, people with mental illness exhibit among the highest need for affordable housing in the state of Montana. People with mental illness have difficulty maintaining their housing without specialized supportive mental health services.

The Montana Homeless Continuum of Care 2003 Statewide One-day Snapshot Survey conducted in April 2003 points to mental illness as one of the leading contributors to

²² 2005-2007 Comprehensive HIV Prevention Plan, Community Planning Group for HIV Prevention Project, August 2004

²³ *Ibid.*

²⁴ *Ibid.*

homelessness in Montana²⁵. The survey, an attempt to reach as many homeless individuals and families as possible, is a point-in-time survey taken in seven urban centers in Montana. It is impossible to conduct an exhaustive count, but the attempt is made to provide a reasonable indication of the extent of the problem and to profile who the homeless are in Montana.

The 2003 survey identified 1,380 homeless individuals and 516 homeless families, with 1,417 family members, identifying a total homeless population of 2,797. A total of 707 individuals and family spokesman self-identified that they needed mental health care or medication, and 13.2 percent of individuals and 9.3 percent of heads of families reported that a physical disability contributed to their homelessness. Nearly half of the individuals (48.5 percent) and families (47.2 percent) stated that they needed medical care. According to the National Coalition for the Homeless, approximately 20 to 25 percent of the single adult homeless population suffers from some form of severe, persistent mental illness. This is relatively consistent with the Montana survey results. (Note: The survey does not address disability related to chronic health conditions, developmental disabilities, or other disabilities related to cognitive functioning.)

2003 SURVEY OF THE HOMELESS		
	Individuals	Families
Issues Contributing to Homelessness:		
Mental health	27.2%	16.7%
Drugs/alcohol	33.7%	18.0%
Physical disability	13.2%	9.3%
Co-occurring substance abuse & mental illness	12.7%	5.6%
HIV/AIDS	0.4%	0.2%
Self-Identified Needs:		
Drug/alcohol treatment	27.4%	20.7%
Mental health treatment and/or medication	38.9%	31.8%
Note: Respondents can select one or more answers that apply to their situation.		

Many adults with serious disabling mental illness can only maintain a living arrangement with close, ongoing supervision and support of mental health service providers. Specialized housing and community living programs for people with mental illness are limited in number and are offered in only a few communities in the state. A significant need exists for a continuum of specialized supportive housing opportunities for people with serious disabling mental illness distributed throughout communities across the state of Montana. This need for continuum of supported housing ranges from group homes to supported apartment living to specialized residential programs for people experiencing difficulties related to both mental illness and substance abuse. These specialized supportive housing programs linking appropriate housing to necessary supportive mental health services offer the best opportunity for stable, successful community living for people with serious disabling mental illness. Homelessness and inadequate living arrangements are frequently associated with adults with severe and disabling mental illness (SDMI). Persons with SDMI need a variety of housing options ranging from supervised group living to independent home ownership. In order to assure an opportunity for these individuals to actually achieve a "home", regardless of the nature of physical structure, it is also essential that mental health agencies offer rehabilitation and support services to assist the consumer in successful participation in the community.

²⁵ *Homeless in Montana*, Montana Department of Public Health and Human Services, 2004

Minority Populations

Montana has a significant Native American population comprising the second largest segment of the population, 6.2 percent. Combined, the Asian and Native Hawaiian/Other Pacific Islander populations total 0.6 percent. The Black/African American population in Montana is very small at 0.3 percent, with the greatest area of concentration in Cascade County.²⁶

RACE / ETHNICITY	
Race / Ethnicity	Percent
White population	90.6%
Native American (American Indian/Alaska Native)	6.2%
Two or more races	1.7%
Some other race	0.6%
Asian	0.5%
Black/African American	0.3%
Native Hawaiian/Other Pacific Islander	0.1%
Hispanic or Latino population	2.0%
Data for Race / Ethnicity is from Census 2000 unless otherwise noted Source: Census and Economic Information Center, Montana Department of Commerce	

Native American Population

The majority of Native Americans reside on Montana's seven Indian Reservations located throughout the state (see map in Appendix D, page D-1). Glacier, Big Horn, Roosevelt, and Blaine counties have the largest percentage of Native American residents: Glacier - 62 percent; Big Horn - 60 percent; Roosevelt - 51 percent; and Blaine - 45 percent. Other counties with relatively large percentages of Native American residents are Rosebud, Lake, Hill, Chouteau, and Pondera.²⁷

Applications for the CDBG and HOME programs are received from all areas of the state, including areas of concentrated minority populations such as towns located within reservation boundaries, county-sponsored water and sewer districts, and counties which include designated reservation land.

The HOME program accepts applications from CHDOs around the state. Approximately one-quarter of the 31 certified CHDOs in Montana have reservation land within their service areas and are encouraged to apply for HOME funds for projects in those areas. The Ktunaxa Community Development Corporation (Flathead Reservation) and the Wolf Point Development Corporation (Fort Peck Reservation) are endorsed by tribal council and have amended original by-laws to meet the requirements to become state of Montana certified CHDOs.

The HOME program works extensively with all CHDOs and local governments to meet the housing needs of all residents within an applicant's jurisdiction. All applications received are ranked according to program ranking criteria, and funds are distributed for projects that meet the greatest need in Montana.

The 2003 Montana Legislature passed House Bill 608, an act relating to the government-to-government relationship between the Montana Indian Tribes and the

²⁶ U.S. Census Bureau, Washington, DC 20233, Released March 21, 2001. Compiled by: Census and Economic Information Center, Montana Department of Commerce.

²⁷ U.S. Census Bureau, Washington DC 20233, Released March 21, 2001. Compiled by: Census and Economic information Center, Montana Department of Commerce.

state of Montana. HB608 provides for tribal consultation in the development of state agency policies that directly affect Indian tribes, authorizes certain state employees to receive annual training, provides for annual meetings between state and tribal officials, and requires that an annual report of the actions be produced by state agencies.

When formulating or implementing policies or administrative rules that have direct tribal implications, state agencies are directed to consider the following principles:

- ☐ A commitment to cooperation and collaboration;
- ☐ Mutual understanding and respect;
- ☐ Regular and early communication;
- ☐ A process of accountability for addressing issues; and
- ☐ Preservation of the tribal-state relationship.

At least once a year, state agency managers and key employees who have regular communication with tribes will receive training on the legal status of tribes, the legal rights of tribal members, and social, economic, and cultural issues of concern to tribes. This training is to be provided by the Department of Justice and a trainer selected by the tribal governments. In addition, each year the governor, along with state agency representatives and tribal officials, may review the policies that directly affect tribal governments and tribal populations, and recommend changes and/or formulate solutions to the policies.

State agencies are directed to submit a report by December 15 of each year to the governor and to each tribal government on the activities of the state agency relating to tribal government and tribal populations. The report must include:

- ☒ Any policy that the state agency adopted that directly impact the tribes;
- ☒ The name of the individual within the state agency who is responsible for implementing the policy;
- ☒ The process that the state agency has established to identify the programs of the state agency that affect tribes;
- ☒ The efforts of the state agency to promote communication and the government-to-government relationship between the state agency and the tribes;
- ☒ The efforts of the state agency to ensure tribal consultation and the use of American Indian data in the development and implementation of agency programs that directly affect tribes; and
- ☒ A joint description by tribal program staff and state staff of the required training.

Efforts to Further Native American Housing Opportunities

In June 2002, President Bush announced the "America's Homeownership Challenge" and challenged the public and private sectors to work together to reach or exceed the

goal to increase the number of minority homeowners by 5.5 million by the year 2010. As previously stated, the largest minority group in Montana is comprised of Native Americans.

Section 184 Indian Housing Program: The Indian Home Loan Guarantee program is a relatively new and innovative housing program to enable Native American families and Indian Housing Authorities (IHAs) to gain access to sources of private financing. A Native American who will occupy the property as his/her principal home and has met certain credit and underwriting standards is an eligible borrower. An IHA is an eligible applicant as well. IHAs may borrow funds for the development of single-family homes that may be subsequently sold to eligible borrowers. To apply, they can visit any approved lender (financial institution) and apply for a mortgage loan.

The Montana Board of Housing set aside \$1,000,000 in recycled mortgage funds to provide the permanent financing for qualifying lower income individuals for single family homes located on trust land on an Indian Reservation that are guaranteed by HUD through Section 184 for Native Americans. The MBOH worked with local banks, tribal representatives, bond counsel, state and regional HUD officials to get special consideration and guarantees from the Secretary of HUD in Washington D.C. to enable the MBOH to participate in this program.

Before the 184 Loan Guarantee program could be utilized in Montana, each Tribe needed to adopt foreclosure and eviction procedures. All of Montana's tribes, except one, have adopted the procedures. In addition, there must be an agreement between the Tribe and the MBOH for a guarantee. To date, 12 loans have been closed statewide for a total of \$888,663.

Native American Housing Loan Guarantee Program: The MBOH set aside \$1,000,000 in mortgage prepayments to be recycled into permanent financing for 20 to 30 single-family homes for Salish and Kootenai tribal members on the Flathead Reservation. The Tribal Housing Authority is guaranteeing the loans. These funds will constitute 40 percent of each financing and will leverage 60 percent of Rural Development Funds. This is a pilot program to encourage tribal entities to partner in conventional home financing for their members. To date, one loan has closed and 12 more are in process.

Talks are continuing between the MBOH and two other tribes to participate in this program.

Additionally, the Montana Homeownership Network, an affiliate of Neighborhood Housing Services extended its down payment and closing cost assistance to the Rocky Boy's, Flathead, and Fort Peck Reservations. Services offered to potential homebuyers on the reservation and statewide include credit counseling, homebuyer training, and foreclosure prevention. MHN provides second mortgages statewide (not just to the reservations) for down payment and closing cost assistance with funding received from Neighborhood Reinvestment.

The MBOH Low Income Housing Tax Credit program has funded six projects submitted by three tribes in Montana. The Salish and Kootenai have built three projects totaling 40 units. Twenty of those units are single-family homes positioned for eventual home ownership. The Salish and Kootenai are currently working on rehabilitation of 33 single-family rental homes that received a tax credit allocation in 2002. The Salish and Kootenai were also awarded tax credits in 2004 to build 12 additional units. The Blackfeet have leased up 20 single-family rental homes they completed. The Fort Belknap Housing authority also received tax credits for 22 single-family rental homes. In 2004, tax credits were allocated to the Blackfeet to build 35 new houses in the Browning and Heart Butte areas. Tax credits were also allocated to the Chippewa Cree to rehabilitate 31 houses in Box Elder, but the credits were returned later in the year.

Tax credits and Native American Housing Assistance and Self-Determination Act (NAHASDA) funds have been shown to work well together and projects submitted by the tribes continue to score well as the Indian lands in Montana show a great need for safe, decent, affordable housing.

Additionally, the Montana Partnership Office (MTPO) of Fannie Mae has been instrumental in promoting Native American homeownership opportunities in the state. The Native American Homeowners Task Force meets monthly and discusses every tribe and their respective activities. Fannie Mae personnel work on establishing a legal framework for the secondary market. Fannie Mae is a member of the statewide task force that has held "Pathways to HomeOwnership" seminars on the Crow, Northern Cheyenne, Fort Peck, Blackfeet and Flathead reservations, and homebuyer education and training sessions as a follow-up to the Pathways seminars.

Montana Resource Conservation and Development (RC&D) Areas and the Montana Homeownership Network are establishing construction curriculums at Blackfeet, Fort Belknap, and Rocky Boy's. Fannie Mae has subsidized the expenses involved in getting high school and tribal college teachers certified to teach construction trades to students.

Education has been a large focus. Through the Fannie Mae Foundation, which established the "Building Native Communities" Financial Literacy Curriculum, 30 teachers have been certified. The Native American Development Corporation and Montana Credit Unions received funding to implement a "First Accounts" program. Fannie Mae facilitates the organizations' efforts and coordinates with them to reach the goal of training and getting minorities and Native Americans to open bank accounts and ward off predatory lenders.

Native American Housing Symposiums: Tribal members from Montana and Wyoming have attended the Native American Housing Symposiums conferences held annually beginning in 2001, dedicated to developing solutions for increased affordable housing on native lands. Each year, the United Native American Housing Association (UNAHA) and the Montana and Wyoming Fannie Mae Partnership Offices bring together nearly 150 tribal members, housing specialists, lenders, developers, and nonprofit groups that specialize in tribal housing issues to discuss efforts to increase affordable housing on

tribal lands. The conference features workshops on predatory lending, working with the Bureau of Indian Affairs, Low Income Housing Tax Credits, Earned Income Credits, veterans housing benefits, and Fannie Mae's Home Counselor Online. Presenters include the Montana American Homeowners Task Force, the Wyoming Indian Housing Coordinating Committee, First Interstate Bank, HUD, the Internal Revenue Service, the MBOH, and representatives from local tribes.

Salish and Kootenai Tribe Investments: The MTPO works with the Salish and Kootenai Tribal Housing Authority to find opportunities for investment in their housing projects. Fannie Mae made an equity investment in Elmo Elder Living Center, an affordable senior rental housing development located on the Flathead Indian Reservation. Elmo Elder Living Center offers 10 one-bedroom units starting at \$150 per month, and was developed by the Salish and Kootenai Housing Authority utilizing public and private financing to maintain affordability. The MTPO also provided a \$5,000 grant to the housing authority to support the creation of a Montana-Wyoming lending consortium.

Expanding Native American Lending: The MTPO facilitated homeownership opportunities for the state's Native American population. Building on relationships with tribal leaders, the MTPO assisted tribes with establishing the legal and regulatory framework necessary for lending on tribal and trust lands, as well as opportunities for Title VI and Low Income Housing Tax Credit programs. The MTPO also supported key homebuyer education and financial literacy efforts of partners across the state, such as the Montana Homeownership Network's support of the RC&Ds. The Montana American Indian Homeownership Task Force, a partnership of Countrywide Home Loans, First Interstate Bank, HUD, USDA Rural Development, MBOH, and Fannie Mae, worked with each tribe to address individual mortgage lending issues and to coordinate efforts in a uniform manner. The Task Force also implemented "Pathways to HomeOwnership," an effort to provide homebuyer education and pre-qualification on four reservations. Fannie Mae has purchased single-family loans and invested in tax credit projects with the Blackfeet and the Confederated Salish and Kootenai Tribes.

ADDRESSING LEAD-BASED PAINT HAZARDS

LEAD-BASED PAINT REGULATIONS, TITLE X, SECTION 1012/1013

The Lead-Based Paint Task Force was developed in the spring of 2000 to address the issues surrounding the HUD lead-based paint (LBP) regulations for pre-1978 homes, known as Title X, Section 1012/1013, which went into effect on September 15, 2000. The Task Force initially identified a lack of capacity of certified personnel in the state to meet the lead-based paint regulations as its number one priority.

Montana, a rural area composed of three CDBG and HOME entitlement communities (Billings, Great Falls, and Missoula) and seven Native American Reservations with sovereign governments, has made progress in securing EPA-certified inspectors, risk assessors, supervisors, and workers since the lead-based paint regulations went into

effect. However, few of the programs in Montana are fully prepared to meet LBP compliance regulations.

In 2000, Montana partnered with the Montana State University (MSU) Extension Service to bring Environmental Protection Agency (EPA) certified trainers from North Dakota to Montana to conduct two training seminars: one for LBP inspector and LBP risk assessor training and one for LBP supervisors and LBP workers. Many people attended the training; however, after careful consideration, over three-fourths opted not to continue the certification process. The reasons for their decision vary, but include travel restrictions, excessively high EPA certification costs, a very cumbersome certification process imposed by EPA and HUD, and the cost of liability insurance.

The MDOC promoted free HUD training whenever it was offered in the state; unfortunately, scheduled training was often cancelled due to perceived low enrollment. The continued cancellation of courses by HUD created a “credibility issue” and people interested in the training were reluctant to sign up for it because of the uncertainty involved. HUD did not seem to understand the difficulty in getting large numbers of people in one location for training due to the large geographic area and sparse population in Montana.

Better results were achieved in January 2004 at a free training sponsored by the National Paint and Coatings Association (NPCA). This no-cost training program, which meets the HUD-EPA curriculum, is sponsored by the NPCA and is the result of a cooperative agreement between the NPCA and the individual states. (For more information, go to <http://www.leadsafetraining.org>.) MasiMax Resources, Inc. offered the *Joint EPA—HUD Curriculum: Lead Safety Training Program for Remodeling, Repair and Painting* course on January 29, 2004 in Helena. Approximately 30-35 people attended the course, including a number of contractors from around Montana and North Dakota.

LEAD-BASED PAINT REGULATION COMPLIANCE CAPACITY						
Type of Assistance	Notification	Visual Inspection	Risk Assessment	Clearance	Interim Controls	Abatement
Housing Rehabilitation	Yes	Yes	No	No	No	No
Rental Assistance	Yes	Yes	No	No	No	No
Homebuyer's Downpayment Assistance	Yes	Yes	No	No	No	No
Acquisition	Yes	Yes	No	No	No	No

In-state LBP training is essential if HUD expects Montana to continue its commitment to meet federally imposed LBP regulations. The Lead Listing website, <http://www.leadlisting.org/LeadListing/TrainingProviders.nsf/docs/home>, provides information on private lead training providers; however, few of the trainers certified to provide training in Montana actually do so. Currently, the Lead Listing website for lead training providers does not have any training courses listed for Montana.

Based on the number of houses in Montana that were built in or before 1979, it is estimated that there are nearly 285,500 Montana units at risk of containing lead-based paint. Although this is approximately 69 percent of the housing units in the state, it is important to note that one cannot assume all of these units contain lead-based paint and the presence of lead-based paint alone does not indicate the extent of exposure hazards. Education and awareness of the potential hazards and the need to properly maintain, control, and abate paint potentially containing lead is crucial.

The more populated areas of the state have workers trained in lead-safe work practices, qualifying them to work on rehab projects costing less than \$25,000. This covers most of the single-family rehabilitation projects conducted with federal funds. Rural areas of the state, where rehabilitation is often the largest part of housing strategies, remain under-prepared to address lead-based paint hazards. A large portion of rehabilitation program budgets now goes to addressing LBP hazards.

The MDOC does not have a lead testing or abatement program in place at this time and does not plan to test or study housing units located in the state. However, for projects assisted with HOME or CDBG funds, grantees are required to ensure that the appropriate notification, inspection, testing, interim controls or abatement, and clearance activities are followed. In addition, the HOME and CDBG programs present information on the LBP regulations and lead-safe work practices at its application and grant administration workshops.

Further, the MDOC promotes lead-based paint training whenever it is aware of it being offered in the state. Currently, the more populated areas of the state have workers trained in lead-safe work practices, qualifying them to work on rehab projects costing less than \$25,000. Rural areas of the state, however, remain under-prepared to address lead-based paint hazards.

The state does have one accredited lead analysis laboratory, Northern Analytical Laboratories of Billings, which can perform analyses on paint chips, dust wipes, and soil. The state also has several individual contractors and a few companies certified to perform LBP activities within the state; however, coverage is spotty, and the construction industry and the persons involved in construction are constantly changing.

The MDOC recently partnered again with the MSU Extension Service to expand LBP training opportunities. MDOC provided financial support for MSU staff to become accredited to provide EPA training for Inspectors and Risk Assessors. MDOC's hope is that underserved areas of the state will take advantage of this new, local resource to become EPA certified and/or to remain current in existing certifications.

MONTANA'S CHILDHOOD LEAD POISONING PREVENTION (CLPP) PROGRAM

Montana CLPP assesses the prevalence and incidence of lead exposures of young children in Montana by monitoring blood lead levels. Counties have been evaluated for risk according to poverty statistics of young children and the amount of older housing

and the general condition of the housing. Review of this information indicated an appropriate method to reach children living in pre-1950 housing is to access children enrolled in the Special Supplemental Nutrition program for Woman, Infant, and Children (WIC). Specifically, children whose income levels are below the threshold for eligibility in the Medicaid program are assessed. Due to reductions in funding for screening services, only individuals with Medicaid or another private source of funding qualify for the test.

The Butte Lead Projects

Butte Childhood Lead Poisoning Prevention Program (CLPPP)

Butte continues to have a higher prevalence of elevated blood-lead levels in children when compared to other Montana counties. The Butte-Silver Bow Health Department received SUPERFUND-related monies to operate a local CLPPP. Program activities included community education, blood-lead testing, soil removals, and lead hazard abatement for owner-occupied housing units.

According to 1990 U.S. Census of Housing data, the median year of construction of all housing units constructed in Silver Bow County is 1943. In comparison to the other most populated counties, Missoula County has the next oldest median year at 1959, followed by Cascade (1960), Yellowstone (1970), Flathead (1972), and Gallatin (1972).

Butte HUD Lead Hazard Control Program (LHCP)

In April 1998, the Butte-Silver Bow Health Department received a \$558,000 lead hazard control grant from HUD. This three-year grant expanded CLPPP activities to specifically address lead-based paint hazards in low-income rental housing. Past analysis has estimated that as many as 79% of the children involved in case-management for elevated-blood lead levels since the inception of the CLPPP live(d) in rental properties. The LHCP was awarded a second HUD grant in February 2001 for \$545,000, and activities under this grant began in April 2001. The program addressed lead hazards in low-income rental properties. One of the primary goals was to develop a pool of local contractors trained and certified to perform lead abatement activities.

The LHCP program works cooperatively with the local SUPERFUND-related CLPPP to prevent duplication of services.

East Helena Lead Program

The East Helena Lead Education and Abatement program is a multi-pathway lead poisoning prevention and lead risk abatement program. The program operates within the East Helena SUPERFUND site. Public education regarding lead poisoning prevention, lead risk management, and risk abatement are major program components. Childhood blood lead level screening and public education are program priorities.

The purpose of the program is to prevent or reduce elevated blood lead levels in children. Data collection relevant to long-term planning, protection of remediated yards and long-term management of lead risks are also program purposes. The program is the most recent in a series of childhood blood lead studies and education programs dating back to 1975. The East Helena office stores soil lead level data collected by a local environmental firm and soil, dust, and water data collected during environmental assessments of private homes in the East Helena area performed by program staff.

Childhood blood lead levels in East Helena have been dropping for the last twenty years (Lewis and Clark City-County Health Department in-house studies). The drop can be related to many factors including the removal of lead from gasoline and paint, a reduction of aerial lead emissions from the Asarco smelter, which closed in April 2001, and the remediation of community facilities and residential properties.

ACTIONS FOR THE PLAN YEAR

NEEDS

The Consolidated Plan regulation requires a priority needs summary table to rank the housing needs for each household type as high, medium, or low. Generally, it was inferred from the household forecast and the telephone survey conducted for the *Montana Housing Needs Assessment*²⁸ that all degrees of housing needs in the state were either medium or high priority. These priority levels, as set by the Consolidated Plan Steering Committee, will remain the same for the five-year plan period.

Montana Housing Priority Needs Summary Table 2005 – 2010					
Household Type		MFI Range	Priority Level	Census 2000 Households	2010 Households
Renters	Small Related	0% - 30%	H	7,210	7,716
		31% - 50%	M	6,765	7,240
		51% - 80%	M	9,357	10,014
	Large Related	0% - 30%	H	1,480	1,584
		31% - 50%	M	1,630	1,744
		51% - 80%	M	2,425	2,595
	Elderly	0% - 30%	H	4,938	5,496
		31% - 50%	M	5,027	5,595
		51% - 80%	M	3,887	4,326
	All Other	0% - 30%	H	10,265	10,775
		31% - 50%	M	8,579	8,966
		51% - 80%	M	10,222	10,773
Owners		0% - 30%	H	15,656	16,755
		31% - 50%	M	22,561	24,145
		51% - 80%	M	42,193	45,155
Special Populations		0% - 30%	H	11,823	12,648
		31% - 50%	M	12,047	12,887
		51% - 80%	M	13,988	14,974
Total Goals	The Montana Department of Commerce is not able to estimate the number of households that will be assisted throughout the state during the planning period.				
Total Households		0% - 80%	N/A	152,195	162,878
Total Households		All income levels	N/A	358,585	383,754

The State has determined these priorities based on households, not housing activity, at the statewide level. It is up to each locality, through more detailed local analyses, studies and needs assessments, to determine its own area(s) of highest need. The state reserves the right to make a determination of local need based on local analyses, studies and needs assessments, which may override the state's priority level.

²⁸ *Montana Housing Needs Assessment*, Center for Applied Economic Research, Montana State University-Billings, December 2004.

SPECIAL NEEDS/NON-HOMELESS SUMMARY TABLE STATE OF MONTANA – FIVE YEAR PLAN 2005 - 2010	
SUB-POPULATIONS	Priority Need Level High, Medium, Low, No such need
ELDERLY AND FRAIL ELDERLY	M
VETERANS	M
PERSONS WITH DISABILITIES	
SEVERE MENTAL ILLNESS	M
DEVELOPMENTALLY DISABLED	M
PHYSICALLY DISABLED	M
PERSONS WITH ALCOHOL/OTHER DRUG ADDICTION	M
PERSONS WITH HIV/AIDS	M
TOTAL	M

The State has determined a “medium” need at the statewide level for the non-homeless special needs populations. It is up to each locality to determine its own area(s) of highest need through more detailed local analyses, studies and needs assessments. The state reserves the right to make a determination of local need based on local analyses, studies and needs assessments, which may override the state’s priority level.

NON-HOUSING COMMUNITY DEVELOPMENT PRIORITY NEEDS SUMMARY STATE OF MONTANA - FIVE YEAR PLAN 2005 – 2010			
PRIORITY COMMUNITY DEVELOPMENT NEEDS	PRIORITY NEED LEVEL High, Medium, Low, No Such Need	ESTIMATED DOLLARS NEEDED TO ADDRESS (in millions)	ANTICIPATED DOLLARS AVAILABLE TO ADDRESS IN FISCAL 1996 (in millions)
INFRASTRUCTURE IMPROVEMENT	H	\$1,612	
Solid Waste Disposal Improvements	H		
Waste Water Needs	H		
Water System Improvements	H		
Other Infrastructure	M		
PUBLIC SERVICE NEEDS	M	\$1,045	
PLANNING	M		
OTHER COMMUNITY DEVELOPMENT NEEDS	M		
Lead-Based Paint/Hazards	M		
ECONOMIC DEVELOPMENT NEEDS	H	\$2,619	
TOTAL PRIORITY NON-HOUSING COMMUNITY DEVELOPMENT NEEDS	M	\$5,276	\$6.5

The state has determined these priorities at the statewide level for non-housing community development. It is up to each locality to determine its own area(s) of highest need. The state reserves the right to make a determination of local need based on local analyses, studies and needs assessments, which may override the state’s priority level.

PROGRAM OBJECTIVES AND ACTIONS

No single approach or unique priority fits all regions of Montana equally well. Acceptably addressing the range of needs, while allocating resources equitably, makes for a complicated housing and community development policy agenda. Nevertheless, Montana is committed to moving forward with a concrete set of objectives to address needs.

Housing

Housing needs across Montana vary widely. There is a broad array of housing availability, affordability, and suitability issues across the state. Extreme diversity in available housing, age of housing stock, and overall range in population density complicate assessments of degree and type of need. Resources are not adequate to address all housing needs and requirements throughout the state.

As a state agency administering housing programs, the MDOC does not prescribe to local governments and CHDOs the priority needs within their communities because the needs identified and prioritized at the state level may not retain a similar priority rating for implementation at local levels. All needs in Montana are great. The statewide priority need levels described in the Housing Priority Needs Table represent only a general indication of needs throughout Montana.

Faced with the overwhelming demand for affordable housing, the state will implement programs and deliver resources to in-need populations around Montana, in an attempt to continually minimize the state's housing needs. No single objective has the same priority in all of Montana's communities. Likewise, no single action can meet the specific housing objectives of any given community. Nevertheless, the MDOC is committed to moving forward with the following housing objectives and actions.

- **Objective:** Provide homeownership opportunities to low- and moderate-income households throughout Montana.
 - The HOME Program will continue to make funds available for homebuyer programs throughout the state, assisting an estimated 50 homebuyers per year.
 - The MBOH anticipates that it will continue to make bond funds available to assist approximately 1,800 low- to moderate-income homebuyers each year with \$130 to \$160 million in low interest rate loans.
 - The MBOH anticipates that it will continue to operate the Mortgage Credit Certificate (MCC) program, which began operation in April 2003. During the first year, \$500,000 in credit authority assisted 23 eligible homebuyers and the MBOH anticipates this will continue to grow for each of the next five years.
 - The MBOH anticipates that it will continue to make funds available through the Single Family Recycled Mortgage Program to lower income persons and families who do not have the financial capabilities to purchase safe and sanitary housing

through other single family programs. The MBOH expects to make approximately \$20 million available for financing to 190 very low-income families per year.

- The MBOH anticipates that it will continue to make funds available through the Disabled Accessible Affordable Home Ownership Program to provide architecturally accessible homes for persons with permanent disabilities and mobility impairments. The MBOH expects to finance 156 homes with nearly \$10 million in recycled mortgage funds over the five-year period.
- The HOME and CDBG programs will continue to make funding available for housing rehabilitation programs throughout the state, assisting an estimated 30 homeowner units per year.
- Continue to leverage HOME and CDBG funds with weatherization programs administered throughout the state.
- The HOME and CDBG programs will continue to require projects to conform to federal and state energy efficiency standards.
- The MBOH will continue to market the award-winning housing plan book, *Montana Housing Solutions: Designing for Comfort & Quality*, which contains several house plans designed to be affordable and energy efficient.
- The HOME program will continue to require homebuyer education classes for all homebuyers assisted with HOME funds as a condition of receiving the funds.
- The MBOH will continue to collaborate on obtaining funds for organizations that provide homebuyer training
- The MDOC will continue to explore creative means to deliver homebuyer training in rural areas. Increase the use of web casts and video conferencing for homebuyer education, especially in remote areas.
- The MDOC will increase awareness of and monitor the level of predatory lending practices by continuing to support legislation to reform the payday and title loan industry, including participating in the Montana Alliance for Responsible Finance and the Montana Financial Education Coalition.
- The MDOC will continue to support the Section 8 Homeownership Voucher program.
- The MBOH will coordinate with educational institutions to facilitate technical construction, weatherization and home-improvement courses.
- The MDOC will continue support of private foundations committed to leveraging federal dollars for affordable housing throughout the state.
- The MDOC will continue to support programs such as the Montana House - Montana Made Homes program, a partnership between the MBOH, the Anaconda Job Corps, and private nonprofit housing providers around the state. The MBOH provides financing for vocational students to construct 960 square foot modular homes at the Anaconda Job Corps Center. These homes will then be sold to qualifying homebuyers around Montana. The homebuyers will work

with a private, nonprofit housing provider in their area that will help them identify a location for the home and prepare the site for delivery of the home. It is expected that the program, which began in September 2004, will construct four homes annually.

- **Objective:** Improve the quality and availability of affordable rental housing for low- and moderate-income households.
- Utilize HOME funds to rehabilitate existing and construct new rental housing. Estimate 25 new units and 30 rehabilitated units per year.
 - Preserve rental units subject to expiring HUD or 515 Rural Development contracts to ensure these units continue to remain viable, affordable units.
 - Utilize the LIHTC program to construct or preserve an estimated 250 units of rental housing per year. Annual authority is estimated at \$2,125,000 plus any inflation factor the IRS may calculate, which provides an equity infusion of approximately \$15 million per year for production of affordable housing.
 - Continue to support the Section 8 housing choice voucher program, which provides essential rental subsidy to very low and low-income Montanans.
 - The MBOH will continue to offer permanent mortgage financing for affordable rental housing in partnership with HUD's Risk Sharing Program, which provides mortgage loan insurance.
 - The MBOH will continue to offer permanent mortgage financing through its General Obligation Program, which issues tax-exempt bonds to finance projects that do not have mortgage insurance.
 - The MDOC will continue support the Mountain Plains Equity Group, Inc. (MPEG). The MBOH joined with the North Dakota Housing Finance Agency and the Wyoming Community Development Authority to form the MPEG. The purpose of the investment group is to support the development of affordable multi-family housing in communities throughout the tri-state area. Smaller projects, particularly in rural communities, can be expensive and difficult for housing authorities, nonprofit entities, and other developers to put together. MPEG is expected to ease the development of multi-family housing. MPEG is structured as a nonprofit corporation to make investments in LIHTC projects and potentially historic tax credit projects.
- **Objective:** Provide housing options for the elderly and special needs populations.²⁹
- Continue to market and support the Reverse Annuity Mortgage Loan Program, which enables Montana homeowners over 68 years old to provide for their own in-home support by utilizing cash from a Reverse Annuity Mortgage.

²⁹ HUD defines special needs households as a household where one or more persons have mobility impairments or disabilities, i.e., mental, physical, developmental, persons with HIV/AIDS; or with alcohol or other drug addiction that may require housing with supportive services

- Address the perceived need for assisted living housing for the elderly by commissioning a study on elderly housing issues in rural areas.
- Continue to utilize HOME and CDBG funds to develop projects targeted to physically, developmentally and mentally disabled households.
- Increase group living and homeownership opportunities for persons with severe and disabling mental illness (SDMI) and other disabilities, especially through cooperation with the Montana Home Choice Coalition.
- The MBOH anticipates that it will continue to make funds available through the Disabled Accessible Affordable Home Ownership Program to provide architecturally accessible homes for persons with permanent disabilities and mobility impairments. The MBOH expects to finance 156 homes with nearly \$10 million in recycled mortgage funds over the five-year period.
- Continue to offer education regarding universal design and accessibility requirements in order to increase the number of accessible multi- and single-family units available.

➤ **Objective:** Affirmatively further fair housing and implement objectives and actions identified in the *Analysis of Impediments to Fair Housing*³⁰.

- Continue to require all HOME and CDBG grantees to abide by fair housing laws and take actions to provide housing services and programs free of discrimination;
- Continue to maintain records reflecting the analysis and actions taken;
- Work to improve the understanding of fair housing law and proper construction practices by:
 - Improving the general public's understanding of fair housing law through further outreach and education.
 - Exploring the feasibility of incorporating homebuyer training at the secondary education level. Communicate how credit markets work, how to avoid credit problems, and what predatory lending practices are to an audience entering the rental or homebuyer market.
 - Designing educational training sessions for specific subgroups, including consumers and providers of housing to improve the fair housing educational experience.
 - Continuing to publish and distribute fair housing educational materials and guides, to include:
 - Updating the fair housing advertising guide in the plan year beginning 04/01/2005.

³⁰ *Analysis of Impediments to Fair Housing and Housing Choice*, Western Economic Services, LLC, November 2004.

- Enhance coordination among member of Montana's affordable housing community by:
 - Establishing a network with landlords, bankers, attorneys, and others for setting and coordinating a fair housing agenda. MDOC will oversee this effort. It will establish a Fair Housing Working Group with regular meetings to assess and review progress associated with the fair housing agenda.
 - Encouraging partnerships among the disabled community, housing developers, builders, and other housing providers. This action may include:
 - Identifying and defining sources of information to which questions about 504 design and construction standards and 504 compliance can be referred; and
 - Urging developers and builders to contact the disabled community directly.
 - Coordinating with Montana Fair Housing to further fair housing education throughout the state.
 - Increasing the MDOC's role as an information clearinghouse by including additional information on the Housing Division website, including:
 - Montana Landlord/Tenant Law;
 - Federal and Montana fair housing laws; and
 - ADA and 504 design and construction standards.
- **Objective:** Decrease housing environmental hazards, such as lead-based paint, asbestos.
 - Enforce all applicable federal and state environmental laws;
 - Present information on the LBP regulations and lead-safe work practices at its application and grant administration workshops;
 - Continue to require the appropriate notification, inspection, testing, interim controls or abatement, and clearance activities are followed;
 - Continue to promote lead-based paint training whenever it is aware of it being offered in the state; and
 - Partner with the MSU Extension Service to expand LBP training opportunities by providing financial support for MSU staff to become accredited to provide EPA training for Inspectors and Risk Assessors. MDOC anticipates that underserved areas of the state will take advantage of this new, local resource to become EPA certified and/or to remain current in existing certifications.
- **Objective:** Continually improve the efficiency of the MDOC housing programs.
 - Market the resources available to acquire, build, preserve, or rehabilitate affordable housing units by continuing the participation of the HOME and CDBG

program staff in joint affordable housing application workshops each year. Other participating programs include the MBOH Low Income Housing Tax Credit Program and USDA Rural Development Housing Programs. At least three workshops a year will be held.

- HOME, CDBG, MBOH, and USDA Rural Development staffs expect ongoing, active participation in the efforts to simplify and standardize housing program delivery in Montana. The Uniform Application is in use, and efforts during the coming five-year period will focus on standardizing environmental review processes and contents of grant administration manuals.
- Examine the allocation procedure in order to simplify and maximize the efficiency with which HOME funds are allocated and to ensure that they are being leveraged to the greatest extent possible.
- Continue to encourage CDBG housing funds be used as part of an overall neighborhood or community renewal effort.
- Continue to utilize technical assistance providers to the fullest extent possible. Emphasis will continue to be on community needs assessment and project development. Staff members of each MDOC program continue to market the programs and educate potential participants in the programs. The CDBG program proposes to continue to provide capacity building training and other technical assistance to local governments. This training relates to general community planning, capital improvement planning, provision of affordable housing, fair housing education, and environmental compliance.
- Increase training opportunities in housing construction as part of an overall economic development strategy that specifically targets training to at-risk populations, such as participants in the Job Corps, inmates in the prison system and residents of Indian Reservations.

Homelessness

- Secure available resources for persons requiring supportive and transitional services;
- Assist persons requiring supportive and transitional services to achieve permanent housing;
- Assist in meeting the supportive services needs for the homeless;
- Assist in securing stable funding sources for existing homeless facilities and services;
- Continue to support the statewide continuum of care strategy to ensure emergency, transitional, and permanent housing; and
- Actively support and participate in the Montana Council on Homelessness.

The state of Montana was selected in January 2003 to participate in a Federal Homeless Academy "Improving Access to Mainstream Services for People

Experiencing Chronic Homelessness” held in May 2003. The Academy is a collaborative effort of the U.S. Departments of Health and Human Services, Housing and Urban Development, and Veteran Affairs that brings together teams of policymakers from various states and technical assistance providers to identify best practices for ensuring that the homeless have access to mainstream resources such as SSI, TANF, Medicaid, food stamps and mental health services.

A team consisting of representatives from the Governor’s office, the legislature, state agencies, local advocates, and the Continuum of Care attended this comprehensive learning and planning session held in Chicago. With a vision statement “to provide the state-level leadership and coordinated effort that will end chronic homelessness by 2010,” the team developed an Action Plan consisting of four priorities:

PRIORITY I: Coordinate Services: Establish the necessary leadership to create a sustainable structure and improve the coordination of homeless services statewide.

PRIORITY II: Case Management: To improve and strengthen effective Case Management of homeless.

PRIORITY III: Mobilize Resource: Access all available resources and identify where new resources can make a critical difference.

PRIORITY IV: Outreach: Create new outreach effort and leverage current outreach efforts to increase enrollment of hard-to-reach chronic homeless individuals.

Each priority has a number of strategies followed by actions, additional steps that may be required, completion dates, and benchmarks or outcomes. A complete copy of the Action Plan for Montana can be found at:

http://www.hrsa.gov/homeless/state_pages/pa4/mt.htm

Additional information on the Homeless Policy Academies can be found at:

<http://www.hrsa.gov/homeless/>

As a result of the Montana Policy Academy and in response to the growing problem of homelessness in Montana, then-Governor Judy Martz issued an Executive Order in June 2004, establishing the Montana Council on Homelessness (MCH). The MCH was structured to establish vital links among the efforts and resources of state and federal agencies, communities, tribes, nonprofits, and others. The MCH is charged with developing a 10-year plan to eradicate chronic homelessness in Montana and with addressing this multi-faceted issue through policy, protocols, recommendations for legislation and the creative use of new and existing resources. For more information on the MCH, go to:

<http://sherriedowning.com/consulting/CouncilonHomelessness.html>

Economic Development

Based on years of public comment, enforcement of federal program objectives, various studies conducted for the program and on economic development, the program's objectives for assisting business development in Montana are:

➤ Objectives:

- Increase viable economic development projects that promote investment of private capital, expansion of local tax bases, and creation of permanent year-round jobs principally for low- and moderate-income Montanans;
- Increase economic activity that adds value to a product through manufacturing, refining, processing or packaging, especially those activities that involve Montana's natural resources;
- Increase economic activity that creates new wealth in Montana by selling the majority of its products outside of Montana, by effectively substituting goods previously produced outside of Montana with goods produced in Montana, or by distributing Montana-made goods;
- Increase service companies such as consulting, engineering, or other companies that sell their services predominantly (greater than 50 percent) outside of Montana;
- Allow local communities to identify their own needs and develop their own initiatives;
- Assist businesses and communities in achieving prosperity by using program resources to leverage other private and public resources;
- Assist micro-enterprise development through technical assistance funding;
- Assist new and expanding businesses with employee training needs;
- Assist communities and small businesses in gaining access to federal funding for research and development (R&D) through the state of Montana Small Business Innovation Research (SBIR) program;
- Place a priority on projects that create higher paying jobs;
- Fund more high-technology businesses and manufacturing operations, including value-added agricultural products, based on current demand;
- Help create over 200 jobs per year, of which more than 51 percent will be held by or made available to low – and moderate-income persons; and
- Leverage \$12 to \$13 of other funds for each \$1 of program funds.

Actions:

- Community Resource Team Assessments: The CDBG programs contracted with the Montana Economic Developers Association (MEDA) to provide technical assistance to Montana communities by conducting community resource team assessments. Using a community-based planning and assessment process, resource teams are comprised of professionals in the areas of economic and community development, health, housing, workforce development, education, land use planning, grant writing, financing, telecommunications, emergency management services, and strategic planning. They assist communities in identifying their greatest community development needs.

At the request of a local government, a Resource Team will go to the community and conduct one to two days of questioning and information gathering that includes interviewing a large number of people representing various community groups and recording their responses. The Team compiles its results and categorizes responses, holds a community meeting to share the information that was gathered, and later provides the community with a written report (within four to six weeks). The final, written report includes recommendations from each team member based on the needs of the community. The report includes suggestions for accomplishing the goals of the community, possible sources of income and contacts, and implementation plans for community use.

The community is responsible for providing a community leader, logistical services (tour of the community, meals and lodging for the team, and a meeting room), and soliciting community participants. Community participants include political and religious leaders, members of the agricultural community, bankers, educators, major employers, REALTORS®, health care and social service providers, senior citizens, civic groups, students, and anyone with an interest in their community. The participants are asked about the major problems and challenges they see in their community, the major strengths and assets, and community projects they would like to see implemented in the next 2, 5, 10, or 20 years.

More than 12 community assessments are expected to be completed in 2004, with another 12 scheduled for 2005. For more information on Community Resource Team Assessments, go to:

<http://www.medamembers.org/resourceteams.php>

- The Montana Finance Center: The Business Resources Division maintains a database accessible on the Internet called *The Montana Finance Center*, which provides summary information for the most significant financing resources available from state, federal, and local institutions. The Montana Finance Information Center website is organized by source and point of application. Preference for organizational purposes is given to the actual level that provides funding to business and local governments. Direct web links are provided

wherever possible for direct connection to funding sources. The site has been constructed by the BRD to assist the businesses and communities of Montana in achieving economic prosperity, keeping in mind that the vision of prosperity to be achieved must be defined by the businesses and communities that are served. Access the *Montana Finance Center* is online at:

<http://www.mtfinanceonline.com/>

- Certified Regional Development Corporations: The 2003 Montana Legislature created the Certified Regional Development Corporations (CRDC) program. The legislative intent of the CRDC program is to encourage a regional approach to economic development that facilitates the efficient delivery of economic development programs by supporting regional capacity building.

CRDCs are responsible for helping local officials, communities and businesses “assess, plan, and facilitate action” within their regions. CRDCs are required to have the support of all counties and a majority of the incorporated cities and towns in their region to obtain and maintain certification. CRDCs receive regional capacity building grants from the MDOC on an annual basis. In 2004, 12 CRDCs were formed and placed under contract to provide technical assistance within their respective regions. See Appendix D, page D-16, for a map of the CRDC regions.

Infrastructures and Public Facilities

Infrastructure needs across Montana vary widely. As a state agency administering non-housing community development programs, the MDOC does not prescribe to local governments the priority needs within their communities because the needs identified and prioritized at the state level may not retain a similar priority rating for implementation at local levels. All needs in Montana are great. The statewide priority need levels described in the Non-Housing Community Development Priority Needs Summary table represent only a general indication of needs throughout Montana.

Faced with the overwhelming demand for non-housing community development, the state will implement programs and deliver resources to in-need populations around Montana, in an attempt to continually minimize the state’s non-housing community development needs. No single action can meet the specific non-housing community development objectives of any given community. Nevertheless, the MDOC is committed to moving forward with the following non-housing community development objectives and actions.

- **Objective:** Provide community and development opportunities to low- and moderate-income residents and strengthen communities within the state.
- Update the statewide public facility and infrastructure needs survey or determine another acceptable method of quantifying the enormous need.

- Provide annual planning grants to identify overall community development and housing and neighborhood renewal needs necessary to get a project under way or to conduct other important community planning activities such as preparing or updating a comprehensive plan or growth policy; preparing a neighborhood redevelopment plan; preparing a preliminary engineering or architectural report, capital improvement plan, or similar planning studies needed to help a community address critical needs.
- Continue to provide technical assistance to communities to encourage them to access CDBG funding and to ease compliance with the federal regulations tied to CDBG funding.
- Continue to market the resources available to build affordable infrastructure/public facilities by continuing to participate in the W₂ASACT public facility workshops. The workshops are designed to familiarize local governments with federal and state low interest loan and grant programs that are available to assist local government and water and sewer districts with financing for water, sewer, and solid waste improvement projects. At least two workshops per year will be held in different parts of the state.
- Continue to support the other programs administered by the Community Development Division of the MDOC, which are critical to assisting local governments in meeting their infrastructure needs.
 - In May 2004, the Treasure State Endowment Program (TSEP) received 47 applications from counties, cities and towns, tribal governments, and water and sewer districts for construction project grants. Over \$58 million in matching construction grants has been awarded to 155 local governments since 1993.
 - The Montana Coal Board has been an active participant with local governments in coal-impacted areas. During 2004 and 2005, 19 grants were awarded to local governments, totaling over \$1.4 million.
 - The Hard Rock Mining Impact Board has been active assisting local governments to mitigate the fiscal impacts on local government services and facilities due to new large-scale hard rock mining development.
- Continue to actively participate in other W₂ASACT activities, including:
 - Periodically updating the *Uniform Application for Montana Public Facility Projects*, the streamlined, common application form developed in 1997 that is used by six state and federal public facility funding programs in Montana;
 - Making the on-line version of the *Uniform Application* more “user friendly”;
 - Developing a uniform method of tracking project expenditures for infrastructure projects funded by multiple agencies;
 - Developing a listing of infrastructure projects throughout Montana and the funding sources and amounts involved in the projects;

- Creating a 12-minute video to explain the basics of funding a public facilities project and a second short video to describe the process of the completing an infrastructure project from beginning to end;
- Working on a standard supplemental conditions section to be used in bid documents that will be acceptable to all federal and state programs;
- Working on a common environmental review process that would be acceptable to all programs;
- Conducting out-reach to tribes.
- Continue to fully award all CDBG public facility and planning grant funds.

Additional Plans and Actions

Addressing Obstacles to Meeting Underserved Needs and Removing Barriers to Housing

President Bush, in announcing his *New Freedom Initiative*, identified a major discrepancy in the general rate of homeownership of 71 percent and the rate of households headed by people with disabilities, which stands at 10 percent. The Montana Home Choice Coalition believes these national figures are generally applicable to the homeownership gap present in Montana, and is committed to closing this gap for people with disabilities and their families.

Like other citizens, people with disabilities can benefit from homeownership. Efforts to provide homeownership opportunities and choices can be supported through a combination of funding programs and new initiatives. Individuals with disabilities may need access to more financial assistance than the average first-time homebuyer due to limitations on work and related earning power due to their disability. Working in support of homeownership for persons with disabilities, the Montana Home Choice Coalition's homeownership initiative involves four major general strategies:

- Provide community outreach and education to the disability community;
- Provide individual homeownership counseling and referral services;
- Provide access to the Fannie Mae HomeChoice Mortgage for Persons and Families with Disabilities. This mortgage product has flexible features specifically designed to meet the needs of homeowners with disabilities. It provides a flexible mortgage option for potential homeowners with disabilities and adds existing mortgage options available through Montana Board of Housing, HUD, and Rural Development; and
- Educate and advocate with affordable homeownership providers, the housing finance industry, and housing builders. Within the public housing resource needs identification process, identify the interest in and need to include homeownership as an option for people with disabilities, including the development of accessible housing stock incorporating Universal Design.

The Home Choice Coalition is committed to assisting eligible persons with disabilities to become homeowners. The Coalition has set as priorities, Montana counties with the greatest degree of affordability, primarily in the central and eastern parts of the state. The Coalition has begun working with the Montana Homeownership Network, MBOH, MDOC Housing Division, Fannie Mae MTPO, USDA Rural Development, A.W.A.R.E., Inc., Central Montana Medical Center, Opportunities Resources, Inc., Section 8 contractors, lenders, and realtors in an effort to support implementation of the Section 8 Homeownership Voucher program. In partnership with the MDPHHS Developmental Disability Program, the Coalition is also working with persons with developmental disabilities, who desire to become homeowners.

U.S. Supreme Court Olmstead Decision

The 1999, the U.S. Supreme Court Olmstead Decision established that States must work to provide people with disabilities who currently reside in institutions or other intensive levels of care, like nursing homes, with appropriate and meaningful opportunities for full access to community life. A fundamental piece of creating appropriate community living options is appropriate housing. The Bush Administration's *New Freedom Initiative* calls for swift implementation of the *Olmstead* decision and calls on federal agencies, including HUD-funded programs to identify and remove obstacles that prevent people with disabilities from full participation in community life and to work cooperatively to assist the states in creating appropriate *Olmstead* solutions across the country. In Montana, the major institutions serving people with severe disabilities include the Montana State Hospital at Warm Springs, and the state Nursing Care Center at Lewistown, which serve people with mental illness, and the Developmental Center at Boulder serving people with developmental disabilities. *Olmstead* also covers people with disabilities who are inappropriately served levels of restrictive care that are higher than necessary.

In 2003, the Montana State Legislature authorized the closure of the Eastmont Center for Developmental Disabilities in Glendive, Montana. The MDPHHS Developmental Disability program was authorized to fund community group homes in Glendive to provide an appropriate community living opportunity for many of the former residents of Eastmont. In addition, the MDPHHS Addictive and Mental Disorders Division is downsizing the Lewistown Nursing Care Center for persons with serious disabling mental illness and funding a new level of intensive community living options for current Nursing Care residents. To support this effort, the Montana Home Choice Coalition developed two supportive housing duplexes in Glendive and Butte, which are partially funded through the MDOC HOME program. In addition, A.W.A.R.E. Inc. renovated a residence in Great Falls to support this *Olmstead*-motivated effort.

Reducing the Number of Poverty Level Families-

In Montana, the state's plan for the temporary assistance for needy families (TANF)³¹ serves as the primary mechanism for reducing the number of poverty level families. The state of Montana operates Families Achieving Independence in Montana (FAIM) to provide temporary assistance for needy families. The FAIM Project serves all political subdivisions in the state. In Montana, three tribes, the Confederated Salish and Kootenai on the Flathead Reservation, the Fort Belknap Indian Community, and the Chippewa Cree at Rocky Boy's, have chosen to implement a tribal TANF plan. The TANF cash assistance program provides job readiness preparation, supportive services, and case management; vigorously pursues child support; and assists in the development of community resources as a means to help families reach self-support.

TANF cash assistance program participants are considered eligible for Medicaid coverage if they meet Medicaid eligibility requirements. Adults have Basic Medicaid coverage; minor children, pregnant women, and disabled individuals receive full Medicaid coverage as stated in the Montana Medicaid State Plan. Participants are also considered categorically eligible for Food Stamp Program benefits.

Services funded with TANF funds include:

- Cash assistance for the purchase of basic needs such as food, clothing, housing and personal care items
- Work supports such as transportation, vehicle repair, and items that assist individuals in continuing employment or becoming employed
- Education and training, excluding tuition

Developing Institutional Structure

The state remains committed to developing and enhancing institutional structure in the state through its participation in various working groups, committees, and councils as discussed in the section on Interagency Cooperation And Coordination.

Enhancing Coordination between Public and Private Housing and Social Service Agencies and Fostering Public Housing Resident Initiatives

The state does not have a public housing authority. Public housing authorities are set up under state law at the local level to better meet the needs of the local community. However, the MDOC is committed to improving coordination between public and private entities serving low- and very low-income households. See the previous discussions on the Housing Working Group and Housing Coordinating

³¹ For more information, contact the Montana Department of Public Health and Human Services, Human and Community Services Division, or go to the website at:
<http://www.dphhs.mt.gov/aboutus/divisions/humancommunityservices/relatedtopics/index.shtml>

Team; and the Montana Continuum of Care, Home Choice Coalition, and Tri-State HELP.

PERFORMANCE MEASUREMENT

In September 2003, HUD issued CPD Notice 03-09 regarding performance measurement. In the Notice, HUD strongly encourages each CPD formula grantee, which includes Montana's HOME, CDBG, and ESG programs, to develop and use a performance measurement system. To a certain extent, Montana has been measuring benefits of its housing programs on a biennial basis, which can be found in the publication *Economic Benefits of MDOC Housing Programs*. Additionally, the state is currently exploring options for implementing the performance measurement tool developed by the Council of State Community Development Agencies (COSCDA) that is meaningful to the individual programs and the programs' beneficiaries.

PROGRAM SPECIFIC REQUIREMENTS

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Montana administers nonentitlement Community Development Block Grant funds through the Community Development and Business Resources Divisions of the MDOC. The CDBG program was established by the Federal Housing and Community Development Act of 1974 and has been administered by the MDOC since 1982. The CDBG program is a federally-funded competitive grant program designed to help communities of less than 50,000 in population with their greatest community development needs. Eligible applicants are limited to general-purpose local governments. All projects must principally benefit low- and moderate-income persons.

The primary objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment, and by expanding economic opportunities for persons of low- and moderate-income. Seventy percent of the funds must be used for activities that benefit low- and moderate-income persons.

CDBG Program Categories

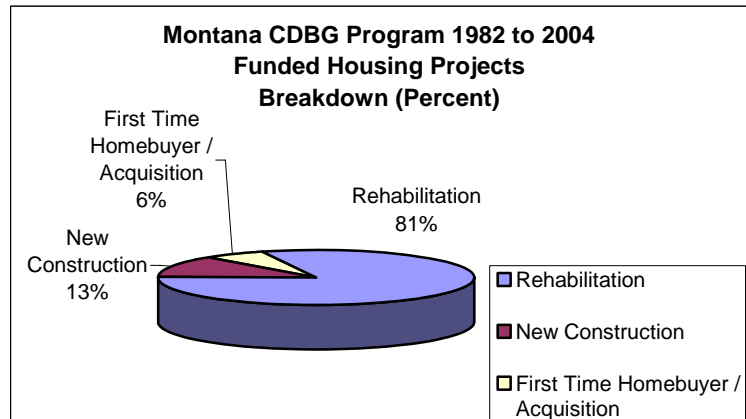
The basic categories for local community development projects are housing and neighborhood renewal, public facilities, and economic development. Some of the activities that can be carried out with CDBG funds include the acquisition of real property; rehabilitation of residential and nonresidential properties (including special facilities for the handicapped); construction of new, affordable housing (when sponsored by a nonprofit organization); provision of public facilities and improvements such as water, sewer, or solid waste facilities, or senior citizen centers; and assistance to for-profit businesses to promote economic development activities that will result in the creation or retention of jobs.

Housing and Neighborhood Renewal Projects

For housing and neighborhood renewal, CDBG funds are most often used to make low or no-interest loans or grants to low- and moderate-income families to allow them to rehabilitate homes in substandard condition. In light of increasing energy costs, communities are encouraged to use CDBG funds to undertake energy conservation for housing owned or occupied by low- or moderate-income households. CDBG funds can also be used to finance or subsidize the construction of new, permanent residential units where the CDBG funds will be used by a local nonprofit organization. Housing projects can include site improvements to publicly-owned land or land owned by a nonprofit organization to be used for new housing.

Transitional (temporary) housing is eligible under the housing and neighborhood renewal category. The acquisition of sites for new housing and conversion of existing nonresidential structures for residential use are also eligible CDBG housing activities.

Over the past 23 years, CDBG has funded about 90 housing projects that equal more than \$29 million in CDBG funds alone.



Public Facility Projects

For public facility projects, CDBG funds have been used to upgrade or undertake the new construction of dozens of community water and sewer systems and other public facilities. During the last several years, communities have also utilized the CDBG program to construct or rehabilitate senior citizen centers, centers for abused or runaway youth, Head Start centers, public nursing home facilities, and public hospitals in rural communities.

Economic Development Projects

For economic development, Montana's CDBG program is designed to stimulate economic development activity by assisting the private sector, in order to create or retain jobs for low- and moderate-income persons. CDBG funds are intended to be used in situations where a funding gap exists or alternative sources of public and private financing are not adequate. These funds are intended to complement conventional business financing and those of other federal programs such as the Economic Development Administration (EDA) and Small Business Administration (SBA). The program is also encouraged to complement the Montana Department of Commerce programs for business assistance administered by the Business Resources Division, such as the Regional Development program and the state Micro Business Finance program, as well as programs administered by the Montana Board of Investments.

The CDBG Economic Development program is designed to assist businesses by making appropriate long-term, fixed-rate financing available to them at reasonable interest rates with flexible terms. Typical eligible activities that fall within the CDBG economic development category include: land acquisition; public facilities, infrastructure, and other improvements in support of economic development, such as water and sewer lines, sidewalks, and access roads; loans for acquisition, construction, rehabilitation, or installation of commercial and industrial buildings, facilities, or working capital; and grants or loans from communities to nonprofit entities.

The total amount of CDBG funds requested by an applicant must not exceed the following ceilings:

<u>Type of Grant</u>	<u>Ceiling</u>
Housing & Neighborhood Renewal	\$ 500,000
Public Facilities	\$ 500,000
Planning – Public Facilities and Housing & Neighborhood Renewal	\$ 15,000
Economic Development	\$ 400,000
Planning – Economic Development	\$ 15,000

Applicants should apply only for the level of funding necessary to carry out the project. Grant requests must be sufficient either by themselves, or in combination with other proposed funding sources, to complete the proposed activities within 24 months from the date of the announcement of grant award by the MDOC. There are no minimum amounts required for CDBG requests, although requests under \$100,000 generally are not cost-effective due to the administrative requirements that accompany the program.

<u>Type of Grant</u>	<u>Deadline</u>
➤ FFY <u>2005</u> Planning Grants-Housing & Neighborhood Renewal and Public Facilities (\$225,000)	April 22, 2005
Grant Announcement	June 2005
➤ FFY <u>2006</u> Public Facilities Grants (<i>estimated \$3.2 million</i>).....	May 27, 2005
Grant Announcement	September 2005
➤ FFY <u>2006</u> Housing & Neighborhood Renewal Grants (<i>estimated \$1.4 million</i>)	November 4, 2005
Grant Announcement	February 2006
➤ FFY <u>2005</u> Economic Development Grants (<i>approx. \$2.4 million</i>)	Open Cycle

Applications must be delivered or postmarked on or before the deadline date. Applications for Economic Development assistance can be made at any time.

Ranking Criteria

Housing and Neighborhood Renewal

Housing and Neighborhood Renewal applications will be evaluated according to the following criteria and may be assigned up to a maximum of 800 points, based on the following ranking criteria:

1. Community Planning & Citizen Participation	150 Points
2. Need	150 Points
3. Project Strategy and Community Efforts	200 Points
4. Benefit to Low- and Moderate-income	150 Points
5. Implementation and Management	<u>150 Points</u>
TOTAL:	800 Points

Funds are awarded to the top-ranked applications until all funds are awarded. The minimum number of points for a housing and neighborhood renewal application to be considered for funding is 550. Applicants not funded are encouraged to seek technical assistance from the program and to re-apply during the next funding cycle.

Public Facilities

Public facility applications will be evaluated according to the following criteria and may be assigned up to a maximum of 800 points:

1. Community Planning & Citizen Participation	125 Points
2. Need for Project	125 Points
3. Project Concept and Technical Design	100 Points
4. Community Efforts	75 Points
5. Need for Financial Assistance	150 Points
6. Benefit to Low- and Moderate-income	100 Points
7. Implementation and Management	<u>125 Points</u>
TOTAL:	800 Points

Funds are awarded to the top-ranked applications until all funds are awarded. The minimum number of points for a public facilities application to be considered for funding is 475. Applicants not funded are encouraged to seek technical assistance from the program and to re-apply during the next funding cycle.

Economic Development

For-profit businesses applying to the CDBG-ED program under the sponsorship of a local government must meet certain thresholds to be considered for funding. These are listed in the application guidelines of the CDBG-ED program. In addition, the community and business must demonstrate the following:

1. All requirements are met or exceeded.
2. The level of CDBG-ED assistance is appropriate in relation to the public benefit expected to result from the project.
3. The proposed management is experienced in the type of business activities proposed and has demonstrated the capacity to successfully manage the entity to be assisted.
4. The application is complete as submitted and contains accurate information.

5. The earnings projections submitted with the application are realistic and attainable, are supported by historical trends and industry norms, and indicate that the projected cash flow is sufficient to support the proposed increased debt.
6. The CDBG-ED funds would be adequately secured with all reasonably available assets and/or personal guarantees.
7. The application documents a sound, well-reasoned proposal with a perceived strong chance success if CDBG-ED funds are received.
8. The private or public sector lenders involved in the project have provided firm commitment of funds.
9. The project is ready to proceed upon the notification of the tentative CDBG-ED award and implementation will begin immediately.
10. The application conclusively demonstrates that the project will support itself over time and will not impose a burden on any local government or nonprofit entity participating in the project.
11. The applicant has considered the quality of the job and the wage it pays. The Loan Review Committee will place greater weight on job quality and wages paid when evaluating CDBG-ED projects for funding.
12. Applications where viability may be questionable, or where the overall business plan or the need for CDBG-ED assistance is not adequately documented, may be restructured, renegotiated, or not funded, depending on the severity and the nature of the problems identified.

Funds are awarded on a first-come, first-served basis, if the thresholds and underwriting criteria are met, until all funds are committed.

Monitoring

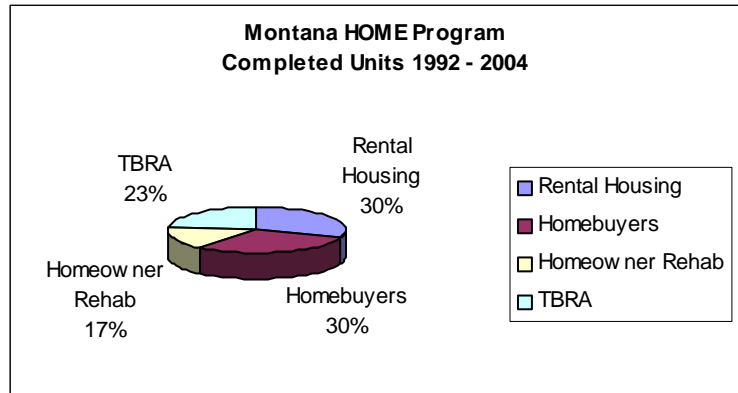
CDBG projects will be monitored on-site during the plan year. A basic requirement of the Montana CDBG programs, Housing and Neighborhood Renewal, Public Facilities and Economic Development, is that state program staff will monitor each project at least once. CDBG operates under a comprehensive monitoring system, meaning that all elements of the local CDBG project are reviewed in up to eleven different areas. Within each of these areas, staff completes an extensive checklist whereby each project element is reviewed for compliance with HUD and state program requirements. Following the monitoring visit, staff issues a formal letter to the chief elected official of the local government reporting on the monitoring visit, noting any "Concerns," "Questions of Performance," or "Findings", as may be applicable. Local governments are asked to respond promptly regarding any questions of performance or findings.

For CDBG economic development projects, the method of project monitoring has been modified over the years in response to the many nonprofit community development organizations that are managing CDBG economic development loan funds for one or more local governments. More emphasis is placed on loan documentation and financial

evaluation procedures, requiring additional technical assistance from the state and other federal partners. A revolving loan fund (RLF) checklist has been developed for CDBG economic development projects that have received loan repayments. Loan fund managers can also use it as a reference guide. In addition, when appropriate, CDBG economic development projects may be monitored in areas only where performance problems are anticipated.

HOME INVESTMENT PARTNERSHIPS PROGRAM

The goal of the MDOC HOME program, administered within the MDOC Housing Assistance Bureau, is to expand the supply of decent, safe, affordable housing for low- and very low-income Montana families. The program achieves this goal through a wide range of eligible activities, including tenant-based rental assistance; down payment and closing cost assistance to homebuyers; property acquisition; new construction; reconstruction, relocation, and rehabilitation of property; site improvements; and other activities to develop non-luxury housing.



HUD distributes a formula allocation of federal funds to each state and entitlement city. A minimum of 15 percent of the funds are set aside for programs owned, developed, or sponsored by CHDOs. All HOME funds must assist families below 80 percent of the area median income, and are distributed on a competitive basis. All cities (excluding the entitlement cities of Billings, Great Falls, and Missoula in the first round of applications), towns, counties, contiguous units of local government, public housing authorities, and community housing development organizations (CHDOs) are eligible to apply for HOME funds under the program.

A competitive application process ensures that funds are awarded to those programs providing the best response to local housing needs, that are the most ready to proceed, and that are consistent with the state's Consolidated Plan and the HOME program requirements.

HOME Application Deadline:	March 4, 2005
HOME Award Date (Tentative):	May 2005
HOME Administration Workshop (Tentative):	June 2005

To assure that applications are evaluated consistently and fairly, all projects are evaluated against ranking criteria set forth in the application guidelines published each year. An application can score a maximum of 600 total points, and must achieve a

minimum score of 300 points in order to be funded. The ranking criteria and respective points available follow:

Financial Management	200 Points
Program Management	100 Points
Project Planning	100 Points
Capacity Determination	<u>200 Points</u>
Total Possible	600 Points

Funds are awarded to the top-ranked CHDO applications receiving a score of at least 300 points until the required 15 percent set-aside requirement is met. The balance of the funds is awarded to the remaining top-ranked projects achieving the minimum score, including any CHDOs not funded by the set-aside, until all funds are allocated. If all funds are not awarded due to an insufficient number of applications meeting the minimum funding threshold, the remaining funds will either be awarded through a second round of competition or retained and allocated in the next funding cycle.

The MDOC must ensure there are sufficient first-time homebuyer programs to utilize the American Dream Downpayment Initiative (ADDI) funds. The majority of the ADDI funds will be granted following the existing allocation process through competitive applications. However, Montana's three entitlement cities, Missoula, Great Falls, and Billings, are not large enough to receive an allocation of ADDI funds from HUD. Since the MDOC's allocation of ADDI funds was based upon the number of low-income renters in the state relative to the number of low-income renters in the nation, the MDOC will grant funds to Missoula, Great Falls and Billings based on the number of low-income renters in each city relative to the number of low-income renters in Montana. Of the state's ADDI allocation, Billings will receive about 14 percent of MDOC's allocation, or \$23,078, Missoula 13 percent, or \$21,429; and Great Falls 10 percent, or \$16,484.

The cities will not be required to submit applications to the MDOC, but will be required to demonstrate a viable plan for disbursing the ADDI funds in a timely manner. Additionally, each city will be subject to all HOME regulations and MDOC requirements pertaining to the HOME program. Specifically, the cities will be required to:

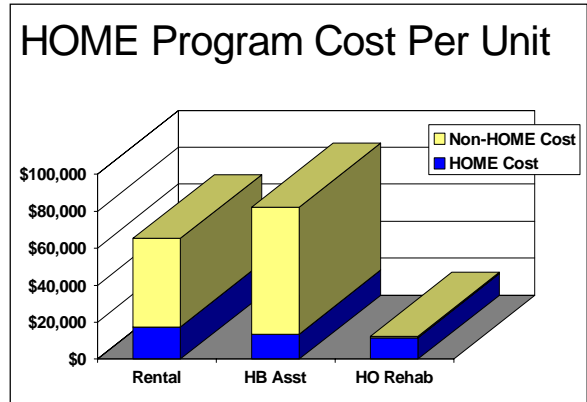
- ☒ Sign a contract with the MDOC;
- ☒ Submit an approved management plan, to include outreach to residents of public and manufactured housing; and
- ☒ Conduct an environmental review.

Each city will have the option to enter into a contract with another entity of its choosing to manage its homebuyer program. The MDOC HOME program will have to approve the contract to ensure that proper procurement procedures were followed.

The MDOC ADDI funds granted to the cities can be combined with other city funds to provide sufficient down payment and closing cost assistance.

Match Requirement

Required contributions, or “match,” for HOME applicants is a minimum of five percent of non-administrative HOME funds expended. A majority of applicants provide match in excess of the federally mandated 25% match. Therefore, any shortfall in the match requirement is provided by MDOC funds and/or previous years’ excess match. Matching funds must be permanently committed to HOME assisted or HOME qualifying projects.



As a rule, investment from state/local government or private sources is eligible to qualify as a matching contribution. Eligible sources of match include: cash; the value of foregone interest, taxes, fees or charges by both public and private entities; value of donated land or real property; investments in on- or off-site improvements; bond financing; donated construction materials and voluntary labor. Federal funds (including CDBG funds) and owner financing/equity are ineligible match sources.

Period of Affordability

HOME assisted units must remain affordable for a specific length of time. Deed restrictions, covenants running with the land or other approved mechanisms will ensure the period of affordability, depending on the amount of HOME dollars invested per unit in the project. After the required affordability period, the property may be sold without HOME restrictions. The table below outlines the affordability periods. Note that homeowner rehabilitation projects have no affordability requirements. However, HOME staff recommends restrictions similar to those for rental properties.

HOME PROGRAM PERIOD OF AFFORDABILITY				
Activity	Years of Affordability			
	5	10	15	20
New Construction				X
Rental Rehabilitation or Acquisition of Existing Housing				
Under \$15,000 per unit	X			
\$15,000 to \$40,000 per unit		X		
Over \$40,000 per unit			X	

Guidelines for Recapture or Resale

As shown in the previous table, homebuyer assistance programs are subject to a period of affordability, based on the amount of HOME dollars invested. Sale of the property by

the homebuyer during the period of affordability is subject to one of two options: resale restrictions or a possible recapture of the HOME subsidy.

The **Resale** provision provides for the assisted property to remain affordable for the period of affordability. Any subsequent purchaser during the period of affordability must be low-income and occupy the property as his/her principal residence. The seller of the initial property will receive a fair return on his/her investment, but the unit must also be “affordable” to the purchaser. This can be accomplished with a deed restriction with the right of first refusal for the grantee to purchase the property. This provision is rarely used and will be used less in light of HUD’s interpretation of regulations regarding repayment of grant funds during a foreclosure.

The HOME investment subject to **Recapture** is based on the amount of HOME assistance provided and the affordability period on which it is based. Repayment of HOME proceeds at transfer of the property must be reinvested in another HOME-eligible activity. The beneficiaries of that investment must also be low-income households.

There are three acceptable methods of recapture:

1. Recapture the entire amount of the HOME investment. The amount may be reduced based on the time the homeowner has owned and occupied the unit measured against the required affordability period.
2. Distribute net proceeds. Any equity may be distributed based upon the ratio of the HOME subsidy to the sum of the homebuyer’s investment plus the HOME subsidy.
3. Guarantee the homebuyer’s investment. If agreed upon, the program may allow the homeowner to recover all of his/her investment before recapturing the HOME investment.

Recapture in the Event of Foreclosure

In the past, the MDOC HOME program has interpreted HUD’s regulations regarding foreclosure as: the grantee should try to recoup as much of the HOME investment as possible but, realistically, not to expect to receive any repayment because the HOME funds are usually in a subordinate position. However, in 2003, HUD issued a different interpretation of those regulations.

In cases where proper recapture policies are not in place, HUD now requires full repayment to the U.S. Treasury any HOME funds invested in a home that ends up in foreclosure, regardless of the amount of funds actually recovered by the grantee from the sale of the home. For example, \$15,000 of HOME funds is invested in a home; five years later that home is foreclosed upon and the program does not recapture any of the HOME funds, all \$15,000 would have to be paid to the U.S. Treasury.

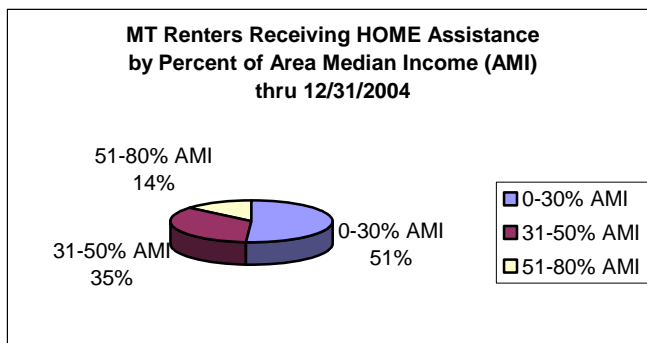
Therefore, all grantees using HOME funds for homebuyer assistance activities must ensure the repayment provisions in legal documents (deed restrictions, trust indentures,

promissory notes, etc.) are based on net proceeds from sales and have the proper language in place to prevent repayment of funds to HUD in the event of foreclosure. Sample language that will meet HUD's requirements is below:

"If the borrower becomes the subject of a foreclosure proceeding that results in the sale of part or all of the premises, all sums in excess of those paid to superior lien holders shall be paid to (Grantee) to apply to the outstanding balance of this loan. If there are insufficient funds to pay off the promissory note secured herein, (Grantee) may in its own discretion waive the payment of any or all of the outstanding loan balance."

Monitoring

At a minimum, all HOME projects will be monitored at the conclusion of the project. Monitoring includes determining compliance with housing codes and applicable federal and state regulations and policies, assessing affirmative marketing actions and outreach to minority and women owned businesses, and ensuring that all funds have been properly expended and accounted for. The HOME program staff will specifically check HOME funds drawn on a minimum of 15 percent of the drawdown requests. In addition, monitoring visits will verify that participants' incomes and rents, purchase price or after-rehabilitation values are within HOME limits.



On-site visits of rental units are conducted throughout the period of affordability; the frequency of the visits is based on the number of project units. On-site visits of TBRA units are performed each year during an active TBRA grant. During on-site visits, HOME staff members verify that properties meet HQS inspections, house income-qualified tenants, and charge rents that meet HOME requirements. HOME staff also validates program income or CHDO proceeds reports during on-site visits.

Annually, grantees that received funds for rental or homebuyer assistance programs are required to certify that their projects still meet affordability requirements. For rentals, grantees must certify that tenant incomes and project rents meet HOME limits and that the property continues to meet Housing Quality Standards. Homebuyer projects must certify that recipients of HOME funds continue to use the assisted property as their permanent residence and report any program income or CHDO proceeds resulting from property sales.

EMERGENCY SHELTER GRANT PROGRAM

Emergency Shelter Grants, administered by the MDPHHS Intergovernmental Human Services Bureau, are to help improve the quality of existing emergency shelters for the homeless, make available additional shelters, meet the costs of operating shelters, and provide essential social services to help prevent homelessness. The grants are 100 percent funded by the HUD. The 10 regional Human Resource Development Councils receive 95 percent of the grant funds. The MDPHHS retains the remaining 5 percent for administrative costs. The grants fund the renovation, rehabilitation, or operating costs of homeless shelters, and the provision of follow-up and long-term services to help homeless persons escape poverty. Shelters assisted and services delivered are determined by the regional HRDCs.

The Montana Emergency Shelter program distributes funds based upon a formula allocation. The amount of funds allocated is determined based on poverty levels and general population in each service area, relative to the poverty and general population of the entire state. Funds are distributed to each HRDC. All HRDCs will submit work plans, budgets, and reports outlining which of the allowable activities will be undertaken. The work plans must include how matching funds will be realized, and a certification of local approval verifying that budgets and work plans have been reviewed and approved by a representative of the respective jurisdiction. Each HRDC matches 100 percent of the funds received from ESG with local resources, primarily United Way funding and volunteer labor.

ESG funds provide medical services to homeless individuals and families, pay for hotel/motel rooms for homeless individuals, pay rent or mortgages for homeless families, and provide support groups, individual counseling, referral, advocacy, and transport to homeless persons. Shelters use funds to pay rent or mortgages, pay utilities, buy furnishings, and pay for maintenance and operational costs of their facilities. ESG funds also pay security deposits on rent or utilities (or first month's rent) to enable homeless families to move into their own dwellings. The MDPHHS has elected to allocate its funding to the ten nonprofit HRDCs across the state.

Monitoring

ESG funds will be distributed to each HRDC in Montana. The HRDCs submit annual work plans, budgets, and reports outlining which allowable activities will be undertaken. The MDPHHS enters into a contract with each HRDC, which will explicitly describe percentage limitations on staff operations established by HUD regulation. ESG staff monitors each HRDC onsite annually, following the work plan submitted, and checks expenditures made to ensure contract compliance.

APPENDIX A

HOUSING COORDINATING TEAM

	Gerry Watne HCT Chair Multi-Family Program MT Board of Housing Helena, MT	
Mary Lou Affleck MT Partnership Office Fannie Mae Billings, MT	Michelle Barstad MT Facility Finance Authority Executive Director Helena, MT	Bruce Brensdal MT Board of Housing Exe. Director Housing Division. Administrator MDOC Helena, MT
Charlie Brown Single Family Program MT Board of Housing Helena, MT	Lucy Brown Public Housing Authority of Billings Billings, MT	Gus Byrom CDBG Program Manager Community Development Div. MDOC Helena, MT
Deborah Chorlton Rural Development Housing Director U.S. Dept of Agriculture Bozeman, MT	Dave Cole Community Development. Division Administrator MDOC Helena, MT	Cindy Donnell Rural Development U.S. Dept of Agriculture Helena, MT
Leslie Edgcomb CP Coordinator Housing Division MDOC Helena, MT	Julie Flynn HOME Program Manager Housing Division. MDOC Helena, MT	Tom Friesen MT Field Office Director U.S. Dept of Housing & Urban Dev. Helena, MT
Larry Gallagher MT Field Office U.S. Dept of Housing & Urban Dev. Helena, MT	Hank Hudson Human & Community Services Division Administrator MDPHHS Helena, MT	Jeannie Huntley Housing Div. / MT Board of Housing Promotion Manager MT Board of Housing Helena, MT
Chris Imhoff CDBG Program Community Development Div. MDOC Helena, MT	Janet Kenny CDBG Program Community Development Div. MDOC Helena, MT	Frank Kromkowski CDBG Program Community Development Div. MDOC Helena, MT
Gene Leuwer Rocky Mountain Development Council Helena, MT	Bob Morgan Single Family Program Manager MT Board of Housing Helena, MT	Michael O'Neil MT Home Choice Coalition State Director AWARE Inc. Program Officer Helena, MT
Dave Parker Project Based Section 8 Manager Housing Division MDOC Helena, MT	Sheila Rice Neighborhood Housing Services / Montana Homeownership Network Executive Director Great Falls, MT	Mat Rude Multi-Family Program Manager MT Board of Housing Helena, MT
Maureen Rude MT Partnership Office Fannie Mae Helena, MT	Judy Schneider HRDC VII Billings, MT	George Warn (retired) Housing Assistance Bureau Chief Housing Division MDOC Helena, MT

CONSOLIDATED PLAN STEERING COMMITTEE

Marcia Armstrong Addictive & Mental Disorders Division MDPHHS Helena, MT	Bruce Brensdal MT Board of Housing Exe. Dir. Housing Division Administrator MDOC Helena, MT	Jerilee Brooks MT Partnership Office Fannie Mae Helena, MT
Gus Byrom CDBG Program Manager MT Dept of Commerce Helena, MT	Dave Cole Community Development Division Administrator MDOC Helena, MT	Leslie Edgcomb CP Coordinator Housing Division MDOC Helena, MT
Julie Flynn HOME Program Manager Housing Division MDOC Helena, MT	Bob Morgan Single Family Program Manager MT Board of Housing Helena, MT	Michael O'Neil MT Home Choice Coalition State Director AWARE Inc. Program Officer Helena, MT
Mat Rude Multi-Family Program Manager MT Board of Housing Helena, MT	Maureen Rude MT Partnership Office Fannie Mae Helena, MT	Karyl Tobel CDBG-Economic Development Program Manager Business Resources Division MDOC Helena, MT
George Warn Housing Assistance Bureau Chief (retired) Housing Division MDOC Helena, MT	Gerry Watne Multi-Family Program MT Board of Housing Helena, MT	

MONTANA COUNCIL ON HOMELESSNESS

Agency or Entity	Representative
Addictive and Mental Disorders	Ed Amberg, Administrator Montana State Hospital Addictive & Mental Disorders Division MT Dept of Public Health & Human Services Warm Springs, MT
American Indian Advocacy & Legal Counsel	Sherry Scheel Matteucci Matteucci Law Firm Billings, MT
Continuum of Care	Bob Buzzas, Consultant CIVIC Consulting Bozeman, MT
Department of Commerce	Mark Simonich, Director MT Dept of Commerce Helena, MT 59601
Department of Corrections	Mike Ferriter, Administrator Adult Community Corrections Division MT Dept of Corrections Helena, MT
Department of Housing & Urban Development	<i>Ex Officio:</i> Tom Friesen, Director Helena Field Office - HUD Helena, MT
Department of Labor & Industry	Gordon Higgins Job Service Programs Bureau Chief Workforce Services Division MT Dept of Labor & Industry Helena, MT
Department of Public Health & Human Services	Hank Hudson, Division Administrator Human and Community Services Division MT Dept of Public Health & Human Services Helena, MT
Governor's Office	Bob Andersen, Lead Budget Analyst Office of Budget & Program Planning Helena, MT
Health Care for the Homeless	Lori Hartford Health Care for the Homeless Billings, MT
Homeless or Previously Homeless Person	Eric Sells C/O Stepping Stones Missoula, MT
Homeless Service Provider	Joe Bischof, Director Poverello Center Missoula, MT
Montana Board of Crime Control	Roland Mena, Executive Director Board of Crime Control MT Dept of Justice Helena, MT
Montana Wyoming Tribal Leaders Council	Gordon Belcourt, Executive Director MT/WY Tribal Leaders Council Billings, MT
Office of Public Instruction	Terry Teichrow, Director Homeless Youth Grant MT Office of Public Instruction Helena, MT
Social Security Administration	Donald P. Ketchum, Executive Officer Social Security Administration Denver, CO
Veterans' Affairs	Joe Foster, Administrator Veterans' Affairs Division MT Dept of Military Affairs Helena, Montana

WATER, WASTEWATER AND SOLID WASTE AGENCIES COORDINATION TEAM

In 1982, representatives from state, federal, and non-profit organizations that finance, regulate, or provide technical assistance for community water and wastewater systems decided to gather on a regular basis to coordinate and enhance their individual efforts. This informal group came to be called the “Water, Wastewater and Solid Waste Agencies Coordination Team” (W₂ASACT). W₂ASACT currently meets bimonthly.

Although this entity does not show up on the organizational table of any state agency, it does have a close relationship with the MDOC Community Development Division. The original impetus for establishing the W₂ASACT group came from division staff and division staff chaired the meetings for several years; the Chair is now rotated among participating agencies. W₂ASACT has become the principal means of out reach to communities and for coordination with other agencies regarding the division’s infrastructure programs.

The more active participants in W₂ASACT include:

- Federal Agencies and Programs
 - Economic Development Administration
 - Environmental Protection Agency
 - U. S. Department of Agriculture, Rural Development
- State Agencies and Programs
 - Montana Department of Commerce
 - Coal Board
 - Community Development Block Grant Program
 - Treasure State Endowment Program
 - Montana Board of Investments INTERCAP Program
 - Department of Environmental Quality
 - Drinking Water and Water Pollution Control State Revolving Loan Fund Programs (SRF)
 - Various other regulatory and technical assistance programs
 - Department of Natural Resources and Conservation
 - Renewable Resources Grant and Loan Program
- Non-Profit Organizations
 - Midwest Assistance Program
 - Montana Rural Water Systems, Inc.

APPENDIX B - CITIZEN PARTICIPATION PLAN

INTRODUCTION

The U.S. Department of Housing and Urban Development (HUD) consolidated several formula grant programs in 1994. The programs include the Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for People With AIDS (HOPWA) programs. Although all four programs are currently utilized in the state, Montana's Consolidated Plan only covers the CDBG, HOME, and ESG programs.

While not directly covered by the Consolidated Plan, the state is the recipient of a competitive HOPWA grant, covering Montana and North and South Dakota, funded through a grant administered by the Montana Department of Public Health and Human Services (MDPHHS). The funds are part of competitively awarded grants for housing, services, and technical assistance, primarily for programs in rural areas that do not qualify for federal block grant funding.

The Consolidated Plan brings together the planning, application, reporting, and citizen participation components for the three formula grant programs. The purpose of this narrative is to present the Citizen Participation Plan prepared by the Montana Department of Commerce (MDOC), Housing Division, a fundamental piece of the consolidated planning process.

The objective of the plan is to ensure that the citizens of Montana, particularly persons of low- and moderate-income, low-income households living in slum and blight areas, units of local government, public housing agencies, and other interested parties, are provided the encouragement and opportunity to participate in planning and preparing the five-year Consolidated Plan and annual action plans, including amendments to the plan, and annual performance reports. In doing so, this narrative lays out the general guidelines around which the Consolidated Plan was developed, sets dates and milestones along which the process proceeds, and outlines methods for citizens to guide and assist the state in formulating the Plan.

THE CONSOLIDATED PLAN

The Consolidated Plan combines the planning, application, public involvement, and reporting requirements of the formula grant programs into one complete process. It promotes unifying opportunities for units of local government, the state, and others, thus laying the foundation for development of cohesive, attractive, safe, and economically vibrant communities. The consolidated planning process encourages all citizens, especially low-income residents, to take part in shaping their own future.

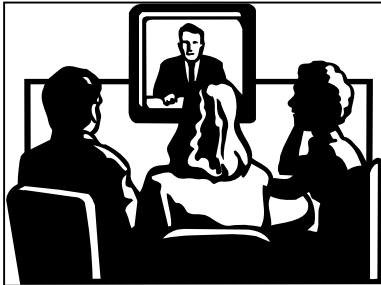
The Consolidated Plan provides the following information to citizens, public agencies, and other interested parties:

- The amount of assistance the state expects to receive;
- The range of activities that may be undertaken; and
- The general program activities that will be planned in addressing the priority needs outlined in the plan.

The plan also presents details on analysis and evaluation of priority needs statewide, as well as policies related to the provision of affordable housing and community development. The plan offers certifications that statutory guidelines have been followed.

THE PLANNING PROCESS

The Consolidated Plan is developed through public input solicited at meetings throughout the state. Some meetings occur before development of the draft report, thereby collecting distinct issue input and aiding policy formation. Others are held after releasing the draft report, allowing interested parties an opportunity to review how the strategy has been designed and presented. These meetings are scheduled at times and locations that encourage broad citizen participation. To encourage participation by as many groups and individuals as possible, meetings are held in the evening or during the lunch hour. The scheduling caters to citizens and organizations whose primary job may not be directly related to creating such a plan. Evening and lunch-time public participation meetings are intended to solicit the input of low- and moderate-income residents who may be unable to attend daytime meetings due to work conflicts. METNet



videoconference meetings are held during normal business hours. The METNet meetings are open to the public and offers additional opportunities for participation in the development of the Consolidated Plan to units of local government and other organizational representatives. When possible, meetings are also held in conjunction with other scheduled meetings, workshops, or conferences being held by the MDOC and other organizations to encourage broader participation.

All citizens are encouraged to participate, including minorities and non-English speaking persons, as well as persons with disabilities. Upon request, the state will make all necessary accommodations to further the participation of these individuals. All public meetings are held in facilities that are accessible to persons with disabilities. HUD's formula programs, alone and with other HUD-funded programs, have three basic goals pertinent to the Consolidated Plan:

- ☑ To provide decent housing;
- ☑ To provide a suitable living environment; and
- ☑ To expand economic opportunities.

Providing decent housing may involve: Increasing the availability of permanent affordable housing for low-income households (without discrimination); assisting

homeless people in obtaining appropriate housing; maintaining the affordable housing stock; and increasing supportive housing to assist persons with special needs.

Providing a suitable living environment means: improving the safety and livability of neighborhoods; deconcentrating housing opportunities and revitalizing neighborhoods; restoring and preserving natural and physical features with historic, architectural, and aesthetic value; and conserving energy resources.

To expand economic opportunities, the comprehensive approach emphasizes: creating accessible jobs; providing access to credit for community development; and assisting low-income persons to achieve self-sufficiency in federally assisted and public housing.

Within our society, the complexity of development problems has risen significantly. Assessing and solving the difficulties has outgrown what narrow, functional programs offer. Montana's priority need problems demand links between human, economic, physical, environmental, and design concerns to build communities of opportunity. In order to gain this comprehension of development complexities, the consolidated planning process must collect the knowledge that exists in the community from citizens, local governments, private business, community-based organizations, and universities.

PUBLIC INPUT TO THE PLAN

Several opportunities for citizen input were provided during the development of the draft five-year Consolidated Plan for April 2005 through March 2010 and the draft Annual Action Plan for April 1, 2005 through March 31, 2006. Notices were sent to local governments, public agencies, member organizations, and citizens throughout Montana encouraging participation in the consolidated planning process. Public input meetings are held for the express purpose of receiving comments on housing and community development needs before the release of the Consolidated Plan. At a minimum, notification of the meetings consisted of:

- Posting dates, times and locations on the *Discovering Montana* Calendar of Events at: <http://app.discoveringmontana.com/webapps/cal/event>;
- Posting dates, times and locations of the public meetings on the MDOC Housing Consolidated Plan website at: http://housing.state.mt.us/Hous_CP_Apps.asp;
- Publishing display ads in newspapers in and around location towns; and
- Sending personal invitation letters to public officials and other interested parties in and around location towns, using the Consolidated Plan mailing list.

Staff from the Community Development Division and the Housing Division may also provide an opportunity for citizen participation at yearly conventions for the Montana Association of Counties and the League of Cities and Towns, time and budgets permitting. Staff also attends other conferences and meetings that are held throughout the state that provide a forum for additional public input on the Consolidated Plan.

The need for updated or additional information is assessed to determine if further analysis is needed. If warranted, the new or updated information is incorporated into current resource documents for use by applicants to the CDBG, HOME, and ESG programs.

The Annual Performance Report, for the program year covering April 1 through March 31, is released to the public for review and comment. This report evaluates program activities performed during the program year. The public is given an opportunity to examine the contents of the report for a minimum of 15 days.

PUBLIC COMMENT ON THE DRAFT PLAN

After the drafts of the five-year Consolidated Plan for the period ending March 2010 and the Annual Action Plan for the year ending March 31, 2006 were released in the fall, the documents were available for public review and comment for a minimum of 30 days. The public was notified through public notices printed in newspapers of general circulation. The newspaper notices summarized the contents and purpose of the plan and how to obtain copies of Consolidated Plan documents. The phone number, including the TDD number, address, and web address for the Housing Division, MDOC, was included to assist those persons otherwise unable to locate complete copies of the draft five-year Consolidated Plan and Annual Action Plan. An Executive Summary, including information on how to obtain the full documents, was sent to individuals, organizations, and agencies on the Consolidated Plan mailing list. The Internet is used for ready access to the Consolidated Plan documents.



Four public review meetings on the draft five-year Consolidated Plan for the year ending March 2010, and draft Annual Action Plan for the year ending March 31, 2006 were held. Technical assistance is available to groups representing persons of very low- and low- income who request such assistance in developing proposals for funding assistance under programs covered by the Consolidated Plan. The level and type of assistance that is appropriate is determined by MDOC based on ability to provide or arrange for such assistance, the cost of providing assistance, and other relevant factors.

RELEASE OF THE CONSOLIDATED PLAN

Citizens, public agencies, and other interested parties are notified of the availability of the five-year Consolidated Plan and Annual Action Plan as adopted, amendments to the Plan, and the Annual Performance Report. Citizens are given the opportunity to examine the contents of the five-year plan and Annual Action Plan for a minimum of 30 days and 15 days for the Annual Performance Report.

When practicable, written complaints regarding the Consolidated Plan, Plan amendments, and Annual Performance Report will be responded to within 15 working days. A suitable response to those received by December 15, 2004 was made by December 31. For those who wish to lodge a complaint about any of the documents, a letter is to be submitted to Leslie Edgcomb, Consolidated Plan Coordinator, Montana Department of Commerce, P.O. Box 200545, Helena, Montana 59620-0545.

OTHER CITIZEN PARTICIPATION

Citizen participation responsibilities are also placed on program applicants and recipients at the local level. Applicants must provide citizens, especially low and moderate-income residents, adequate notice and opportunity for meaningful involvement in the planning and development of applications. All hearings must be held at times and locations convenient to potential beneficiaries and in facilities that are physically accessible for persons with disabilities.



CDBG Program Requirements

Unless re-applying for the same CDBG project submitted unsuccessfully in the previous year, the applicant must hold a minimum of two public hearings; one before preparing the application and one before passage of a resolution by the governing body authorizing the submission of the application. The first public hearing should be held not more than twelve months before the date of application. The second public hearing should be held not more than three months before the date of application. A record of the required hearings must be submitted with the application for CDBG funds, along with copies of the public notices for the hearings or affidavits of publication for the notices. A verbatim record is not necessary; a list of the names of persons who attended and a summary of comments by local officials and citizens is sufficient.

Applicants reapplying for the same project submitted unsuccessfully in the previous year must hold at least one public hearing before passage of a resolution by the governing body authorizing the submission of the application. The public hearing should be held not more than three months before the date of application.

The purpose of the first hearing is to give citizens an opportunity to identify and discuss their community's overall community development and housing needs and priorities, including the needs of low-and moderate-income persons, and to propose possible projects before the local government makes a decision regarding what project it will seek CDBG assistance for. The first hearing should also cover the estimated amount of state CDBG funds available and provide a description of the activities eligible for CDBG assistance.

The purpose of the second hearing is to give citizens and other potential beneficiaries (especially low-and moderate-income persons) or residents of the proposed project

area adequate opportunity to consider the potential impacts and benefits of the community's proposed project and to comment on it before it is submitted.

HOME Program Requirements

HOME Program applicants must provide citizens adequate notice and opportunity for involvement in the planning and development of HOME applications. Applicants must:

- Hold a minimum of one public hearing or meeting before submission of the application. The purpose of the public hearing or meeting is to solicit public comment on community housing needs and priorities and to discuss the HOME program as a potential source of funding. A public hearing gives citizens and potential beneficiaries of the proposed project adequate opportunity to review and comment on the community's HOME application before it is submitted. The applicant should give due consideration to all comments before the determination of a proposed project. The public hearing must be held within two months of the deadline date of application.
- Submit a record of any public hearings or meetings and copies of the public notices for the hearings or affidavits of publication for the notices, held in relation to the application for HOME funds. A verbatim record is not necessary; the names of persons who attended and a summary of comments by local officials and citizens are sufficient.

ESG Program Requirements

The ESG Program does not require prior citizen participation.

AMENDING THE CONSOLIDATED PLAN

Possible amendments include changes in use of funds from one eligible activity to another, changes in the method of distribution of such funds, new activities, or alteration of the existing activities or budget. MDOC will make a determination as to whether the change is substantial enough to necessitate issuing an amendment to the plan. If so, the MDOC will conduct a public review process with a minimum of one public review meeting and following the guidelines set forth above, present the amendment to the public for their review and comment. Other specific issues related to individual program guidelines are to be presented in the respective program application guidelines.

APPENDIX C - SUMMARY OF PUBLIC COMMENTS

PUBLIC INPUT MEETINGS

In the spring, an informational letter was sent to people on the Consolidated Plan mailing list inviting individuals, agencies, and organizations to participate in the preparation of the Montana Five-Year Consolidated Plan and Annual Action Plan for the year beginning April 1, 2005. Display advertisements were placed in newspapers in the host communities and surrounding communities asking for public comment, giving dates and locations of upcoming public input meetings. Display advertisements for each of the individual the meetings were placed in the local newspapers, and personal invitation letters were sent to local officials, public agencies, and interested citizens in each area. The meeting notices were also posted on the *Discovering Montana* E-Calendar at:

<http://app.discoveringmontana.com/webapps/cal/event>

Glasgow, Anaconda, and Shelby

During March and April 200, three on-site community input meetings were held:

- Glasgow, located in northeastern Montana, on March 30;
- Anaconda, in southwestern Montana, on April 6; and
- Shelby, in northern Montana, on April 14.

The Anaconda and Shelby meetings were held during the lunch hour (11:30 am to 1:00 pm), with a free lunch provided. The Glasgow meeting was held in the evening (with dessert and coffee), following the workshop for infrastructure planning, financing, and management, co-sponsored by the Montana Departments of Commerce, Environmental Quality, and Natural Resources and Conservation, and USDA Rural Development/Rural Utility Service.

Turnout at the public meetings was about what was expected, with five people attending in Glasgow, six in Anaconda, and eight in Shelby.

Additionally, a METNet interactive videoconference was broadcast simultaneously in ten cities around the state on April 22, with better than expected attendance.

METNet Videoconference Public Input Meeting April 22, 2004, 2:00 to 4:00 pm		
Location		# Attendees
Helena	Department of Public Health & Human Services	11
Bozeman	Montana State University	2
Butte	Montana Tech of the University of Montana	2
Dillon	Western Montana College of the University of Montana	2
Havre	Montana State University–Northern	4
Kalispell	Flathead Valley Community College	4
Miles City	Miles Community College	7
Billings	Montana State University–Billings	19
Great Falls	MSU College of Technology	3
Missoula	University of Montana	10

Representatives from HOME, CDBG, Section 8, and the Montana Board of Housing were present at all the meetings to answer questions and respond to public comments.

PUBLIC REVIEW MEETINGS

The draft Annual Action Plan and Five-Year Consolidated Plan were released to the public in October 2004. A public comment period was open through December 15, 2005. Notifications were sent to the 800-plus individuals and organizations on the Consolidated Plan mailing list. Display advertisements were placed in key newspapers announcing: the comment period, the website address for the documents, where to obtain hard copies of the document, where to send written comments, and the date and locations of the local, on-site meetings and the METNet videoconference. The meeting notices were also posted on the *Discovering Montana* E-Calendar at:

<http://app.discoveringmontana.com/webapps/cal/event>

Additionally, display advertisements for each of the individual the meetings were placed in the local newspapers, and personal invitation letters were sent to local officials, public agencies, and interested citizens in each area.

Miles City, Lewistown, and Missoula

Three community public review meetings were held: Miles City, in eastern Montana on October 13; Lewistown, in the geographic center of the state, on October 19; and Missoula, in western Montana, on October 21. The meetings were held in conjunction with the joint application housing application workshops sponsored by the MDOC's CDBG and HOME Program, the Montana Board of Housing, and U.S. Department of Agriculture Rural Development (USDA-RD). A free buffet lunch was available and attendance was outstanding, with 15 attendees each in Miles City and Lewistown, and 26 in Missoula.

In addition, an interactive videoconference meeting was broadcast simultaneously in eight cities around the state in November 2004.

METNet Videoconference Public Review Meeting November 18, 2004, 3:00 – 5:00 pm		
Location		# Attendees
Helena	Department of Public Health & Human Services	7
Bozeman	Montana State University	3
Butte	Montana Tech of the University of Montana	1
Havre	Montana State University–Northern	2
Kalispell	Flathead Valley Community College	5
Billings	Montana State University–Billings	3
Great Falls	MSU College of Technology	2

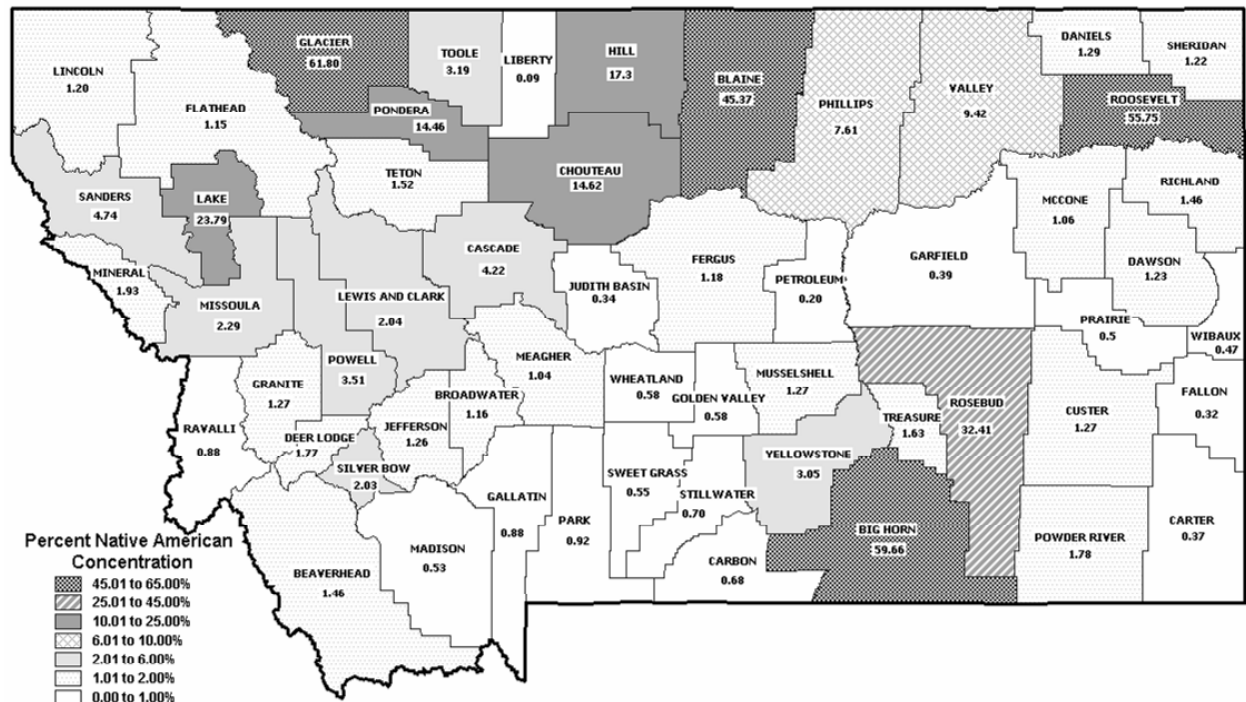
Representatives from HOME, CDBG, Section 8, and the Montana Board of Housing were present at all the meetings to answer questions and respond to public comments.

PUBLIC COMMENTS

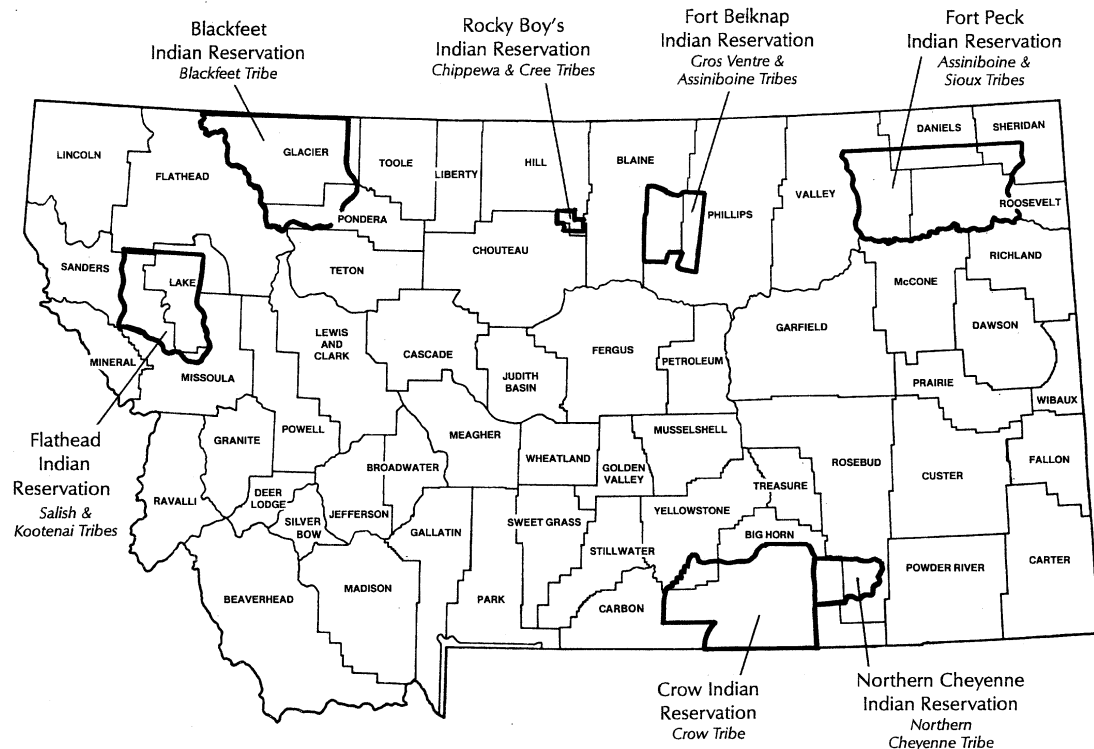
Comments received at the meetings generally related to the requirements of the individuals programs. Questions were either answered on the spot by representatives from the individual programs, or were referred to the appropriate program for later follow-up.

Copies of audio tapes, transcripts and/or notes of the public input and review meetings are on file with the Montana Department of Commerce, Housing Division, 301 South Park Avenue, P.O. Box 200545, Helena, Montana 59620.

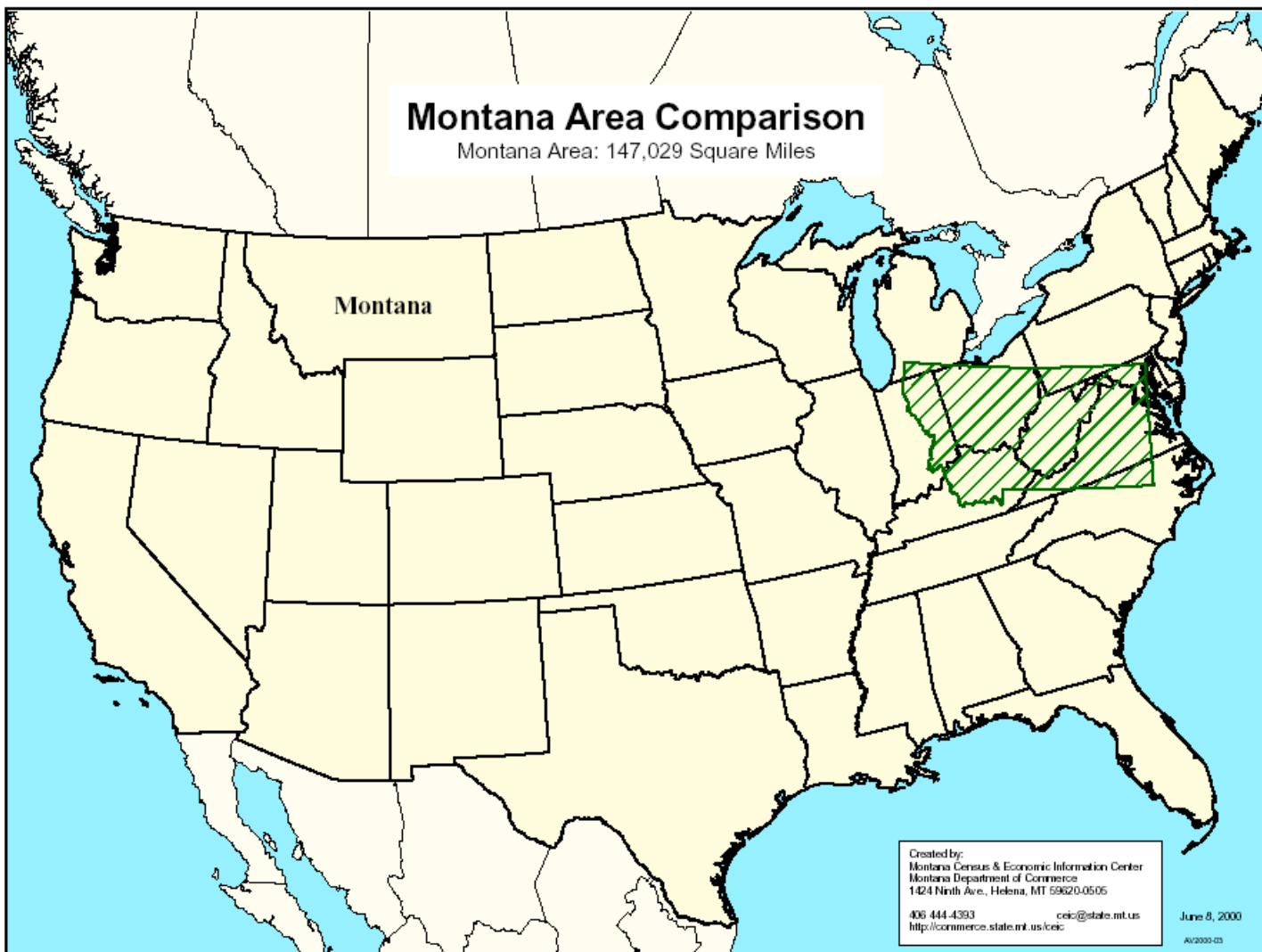
NATIVE AMERICAN CONCENTRATION BY COUNTY



MONTANA'S INDIAN RESERVATIONS



MONTANA AREA COMPARISON

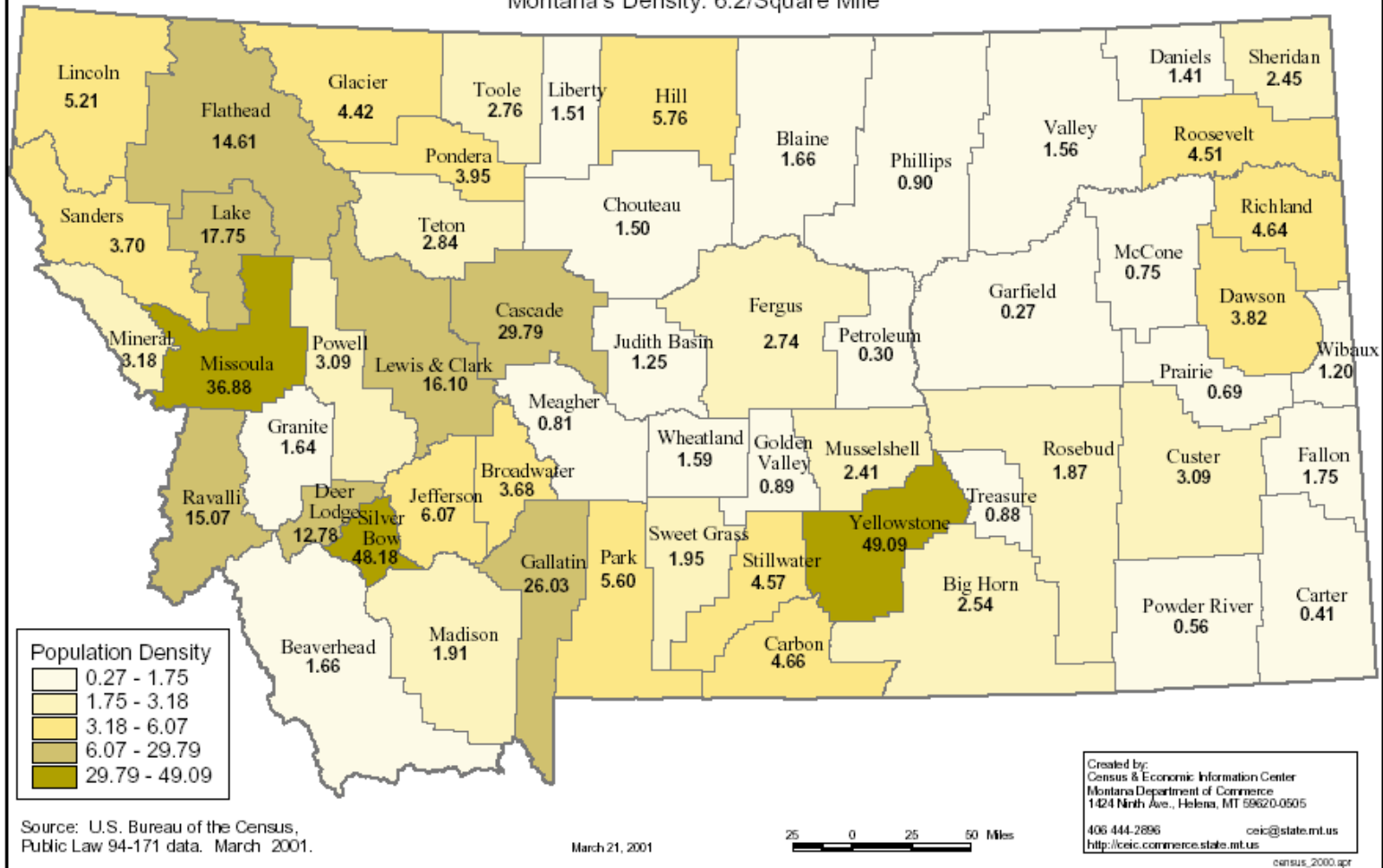


MONTANA COUNTY POPULATION DENSITY

Montana County Population

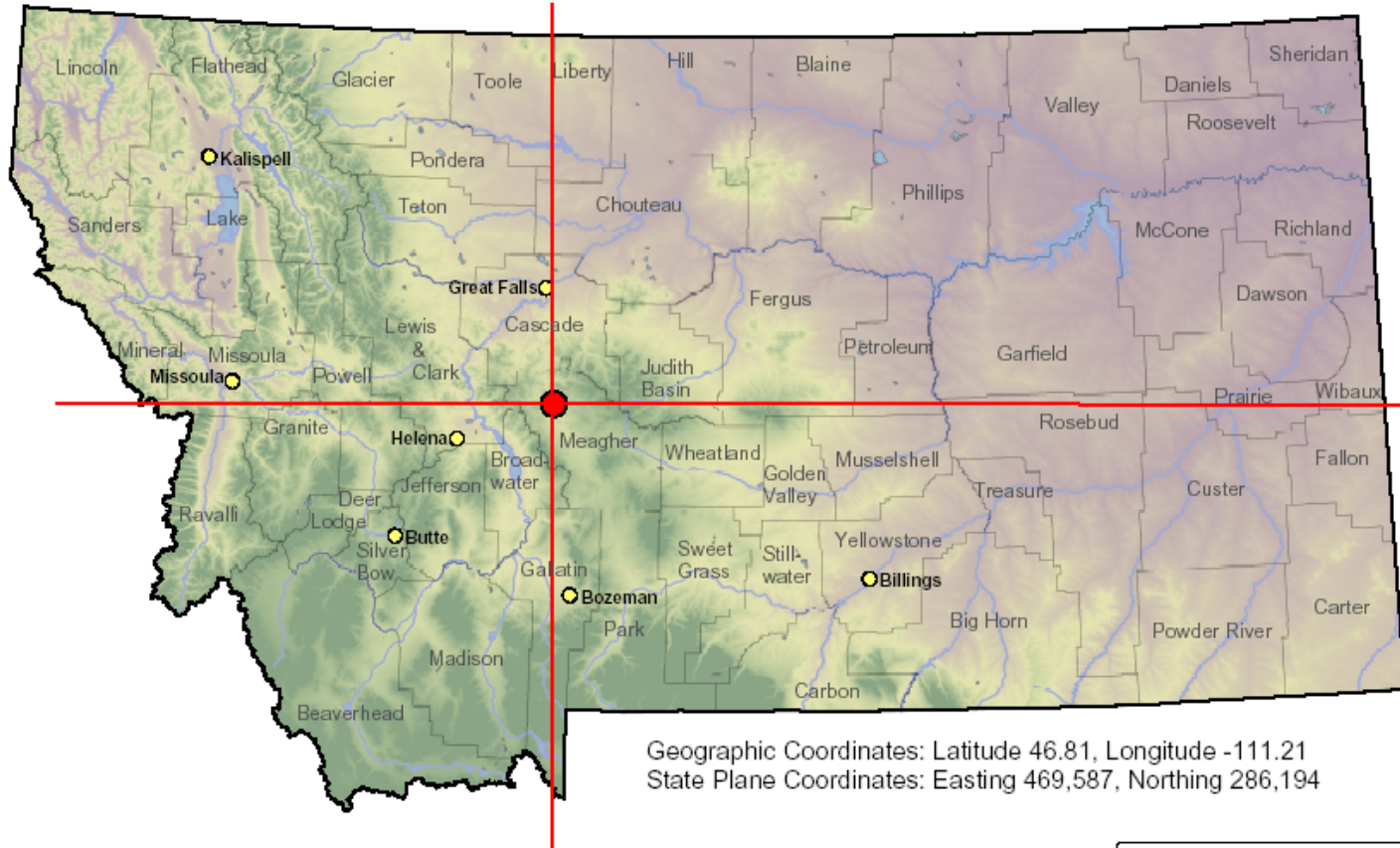
Population Density 2000

Montana's Density: 6.2/Square Mile



GEOGRAPHIC CENTER OF POPULATION

CENSUS 2000: MONTANA Geographic Center of Population



Geographic Coordinates: Latitude 46.81, Longitude -111.21
State Plane Coordinates: Easting 469,587, Northing 286,194

50 25 0 50 100
Miles



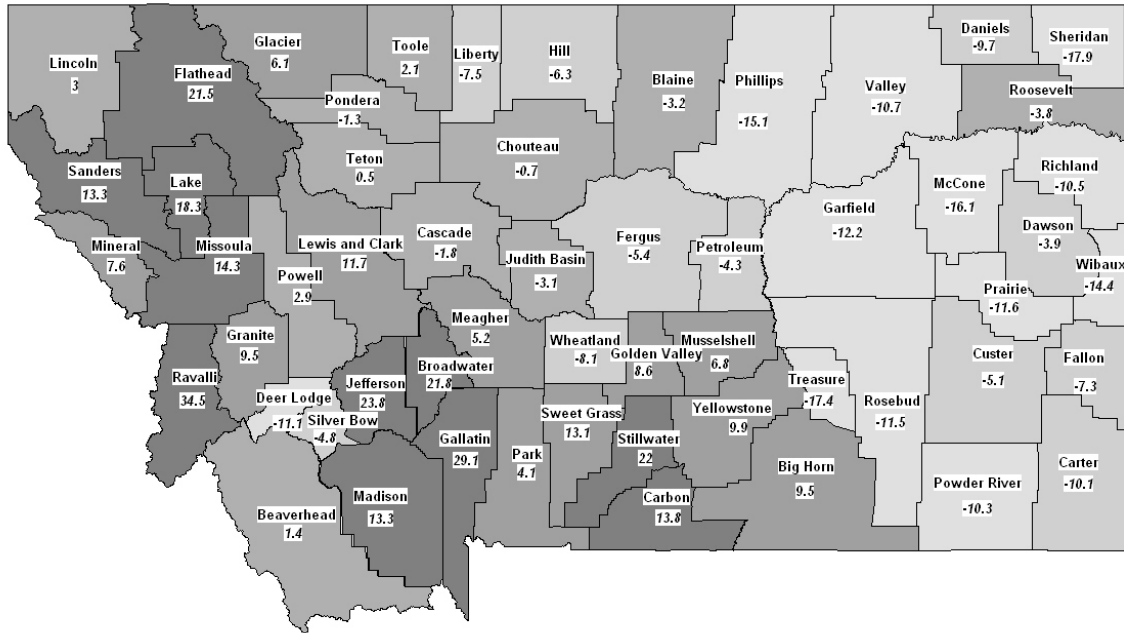
Created by:
Census & Economic Information Center
Montana Department of Commerce
301 S. Park Ave, Helena MT 59620-0505
406-841-2740 cec@state.mt.us
<http://ceic.commerce.state.mt.us>

November 2004

PopCenter.mxd

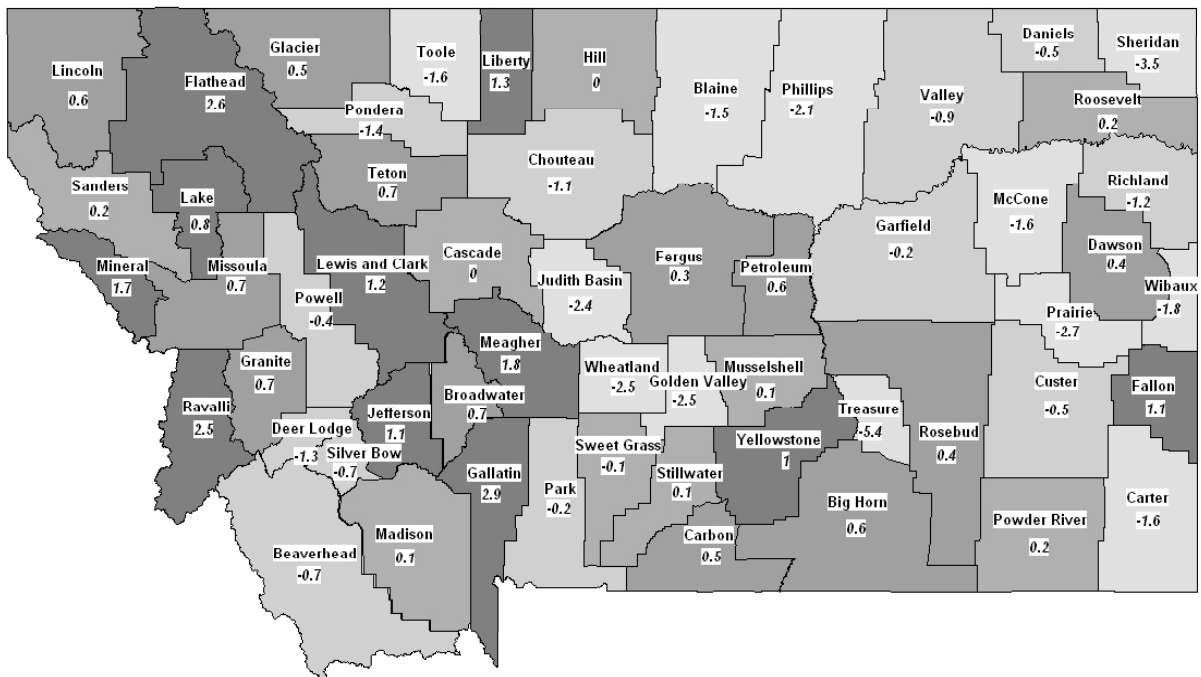
Source: U.S. Census Bureau, Census 2000, Centers of Population by State for Census 2000.

TEN-YEAR COUNTY GROWTH RATE: PERCENT CHANGE 1993 - 2003



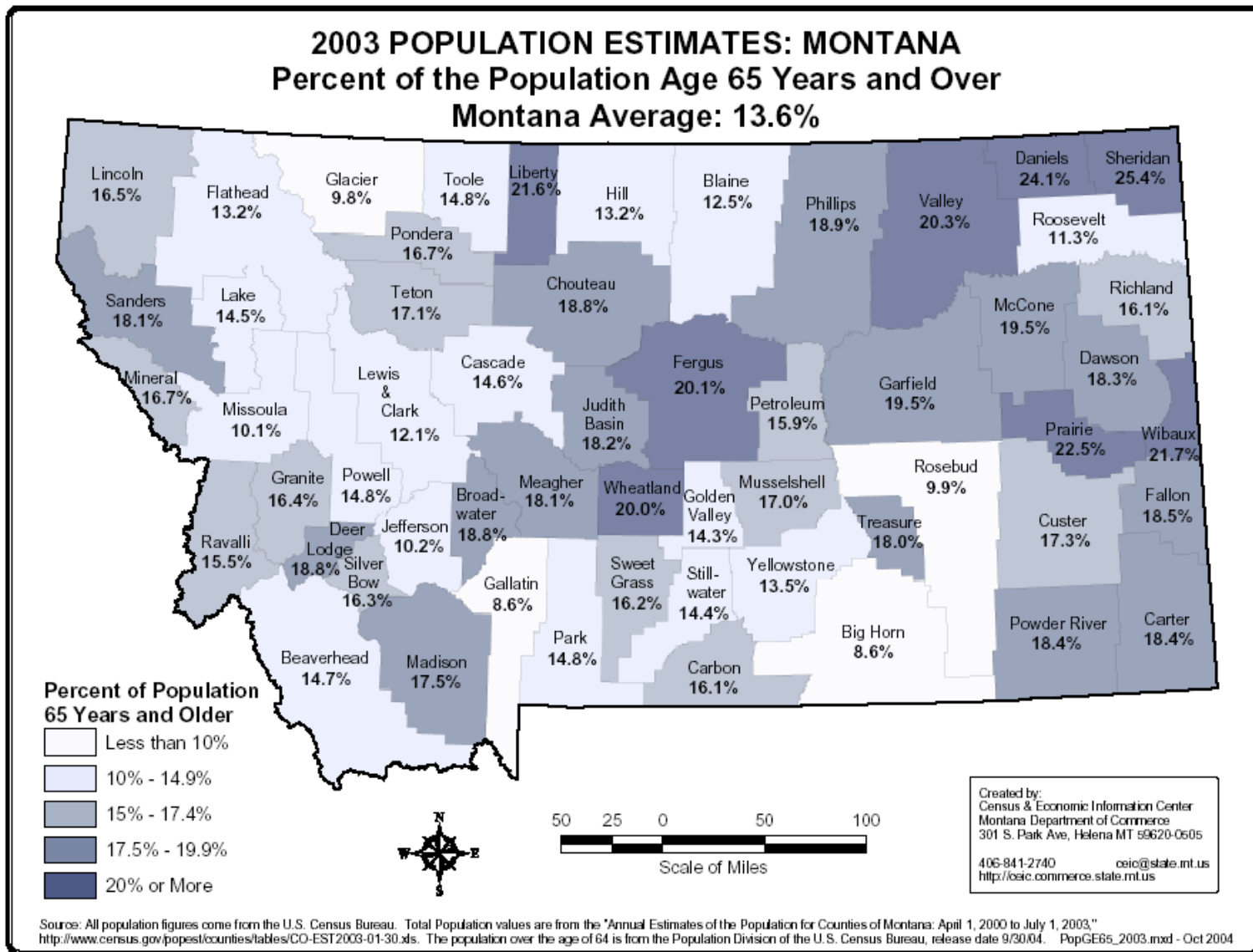
Center for Applied Economic Research
Data from U.S. Census Bureau

ONE-YEAR COUNTY GROWTH RATE: PERCENT CHANGE 2002 - 2003

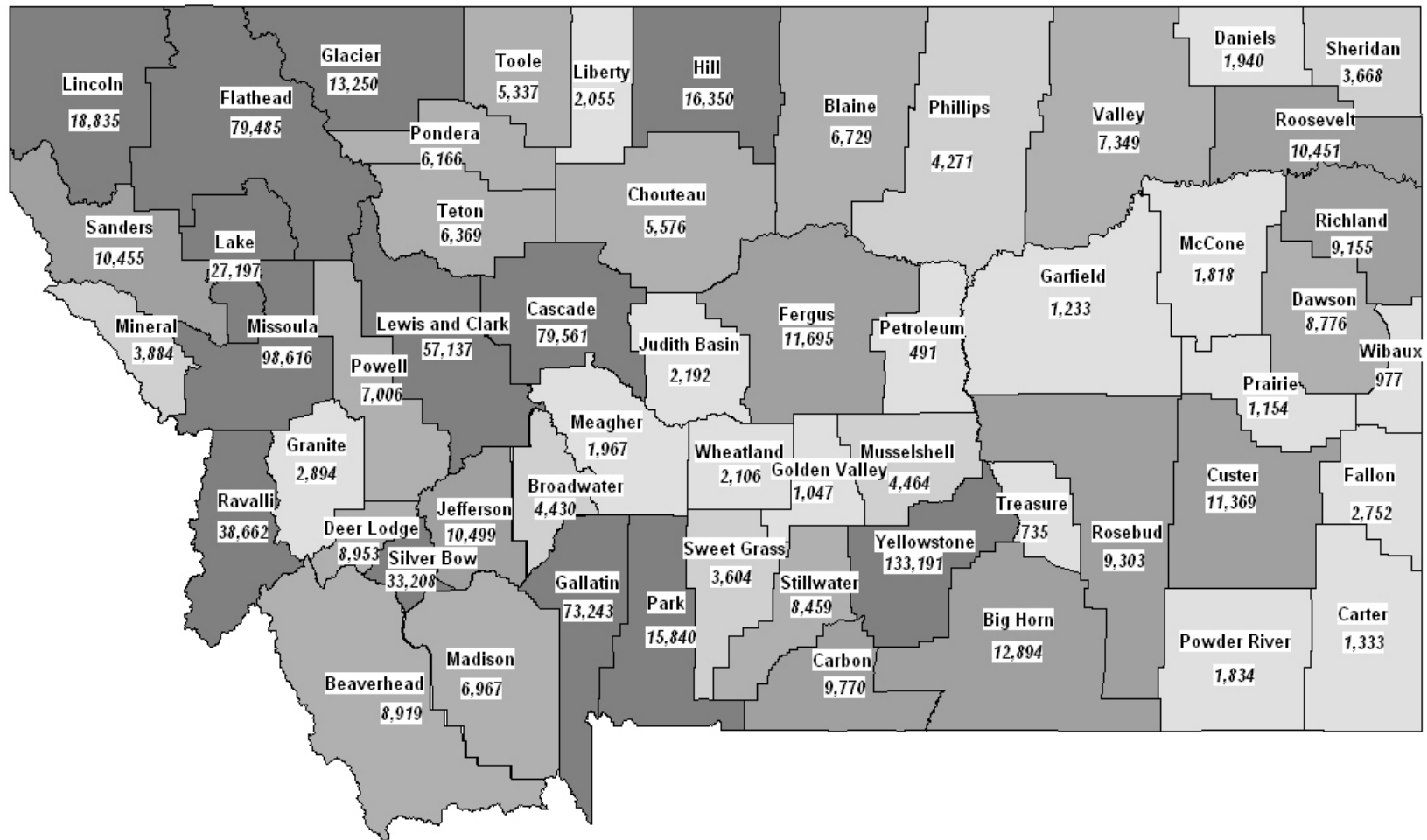


Center for Applied Economic Research
Data from U.S. Census Bureau

PERCENT OF POPULATION AGE 65 YEARS AND OVER

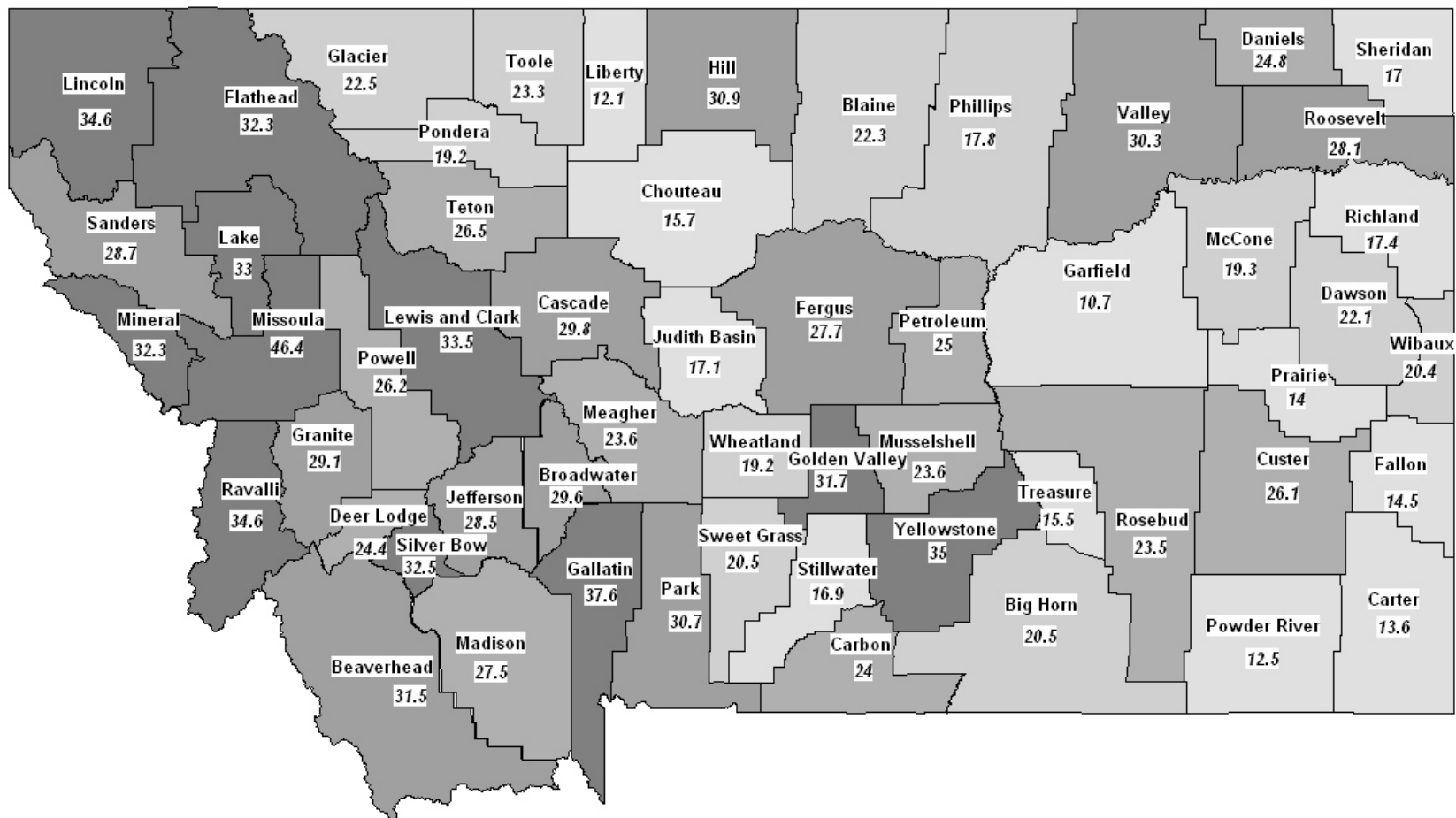


2003 POPULATION ESTIMATES BY COUNTY

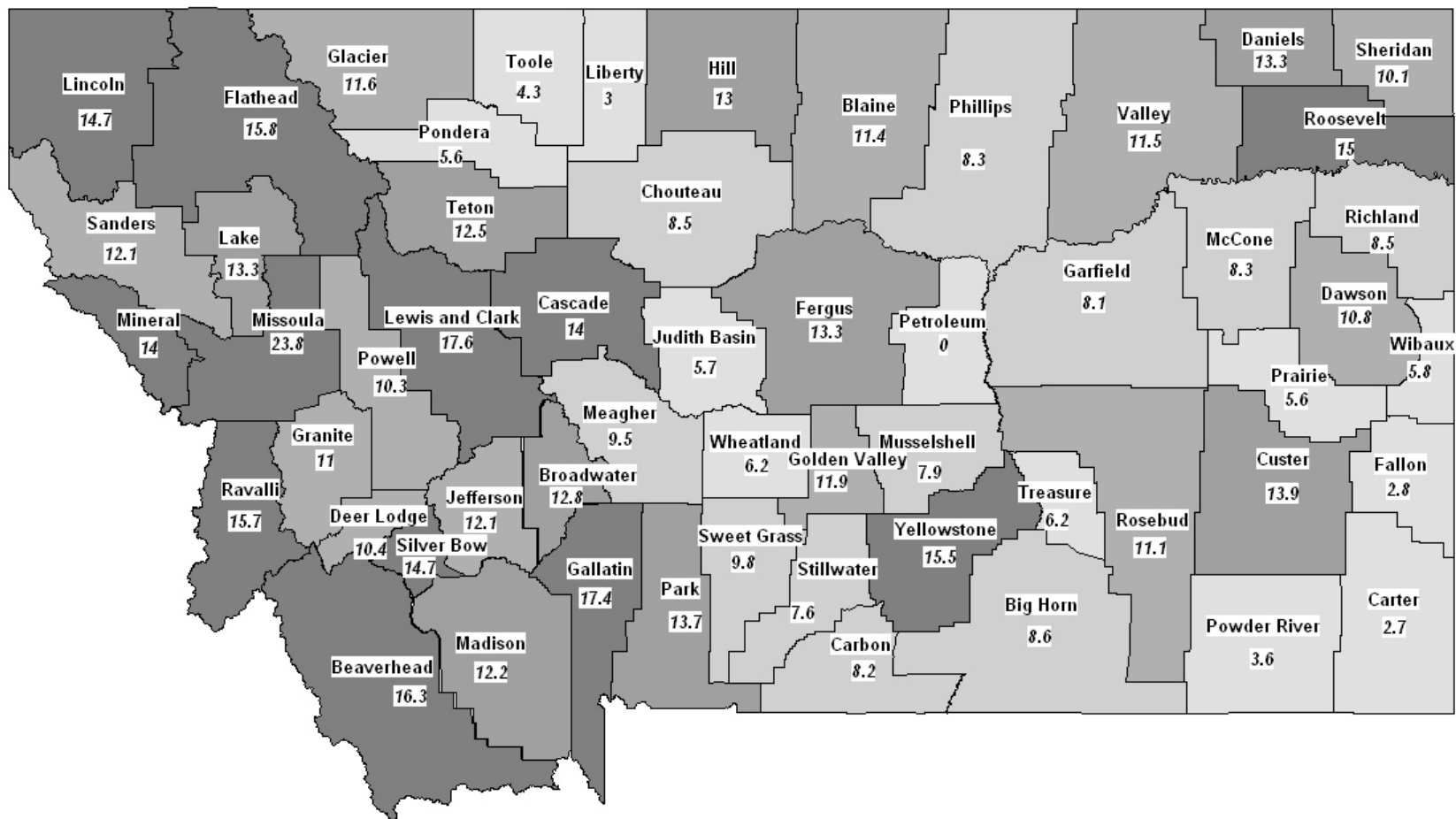


Center for Applied Economic Research
Data from U.S. Census Bureau

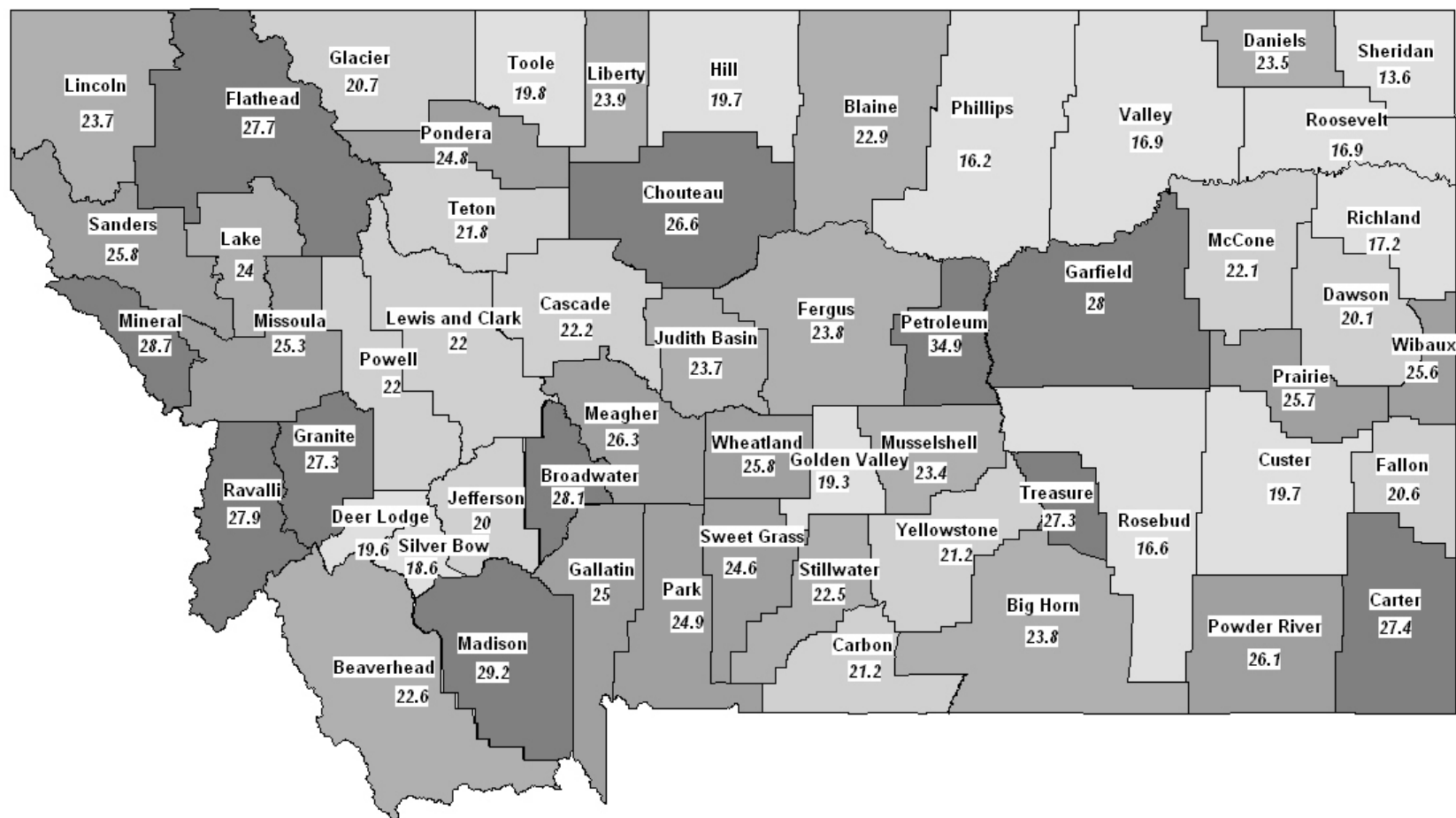
PERCENT OF RENTER HOUSEHOLDS WITH A COST BURDEN BY COUNTY Census 2000



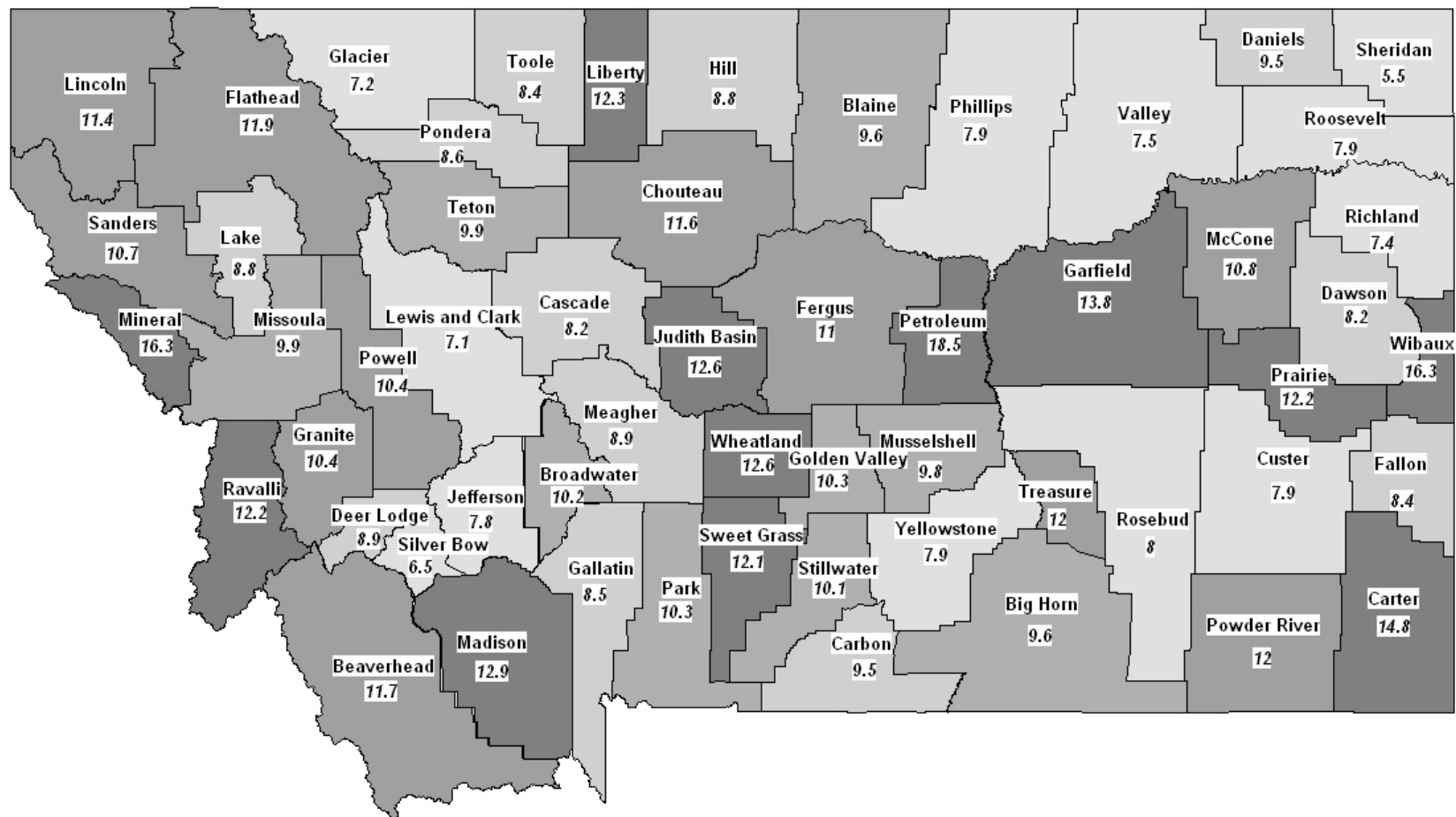
PERCENT OF RENTER HOUSEHOLDS WITH A SEVERE COST BURDEN BY COUNTY
Census 2000



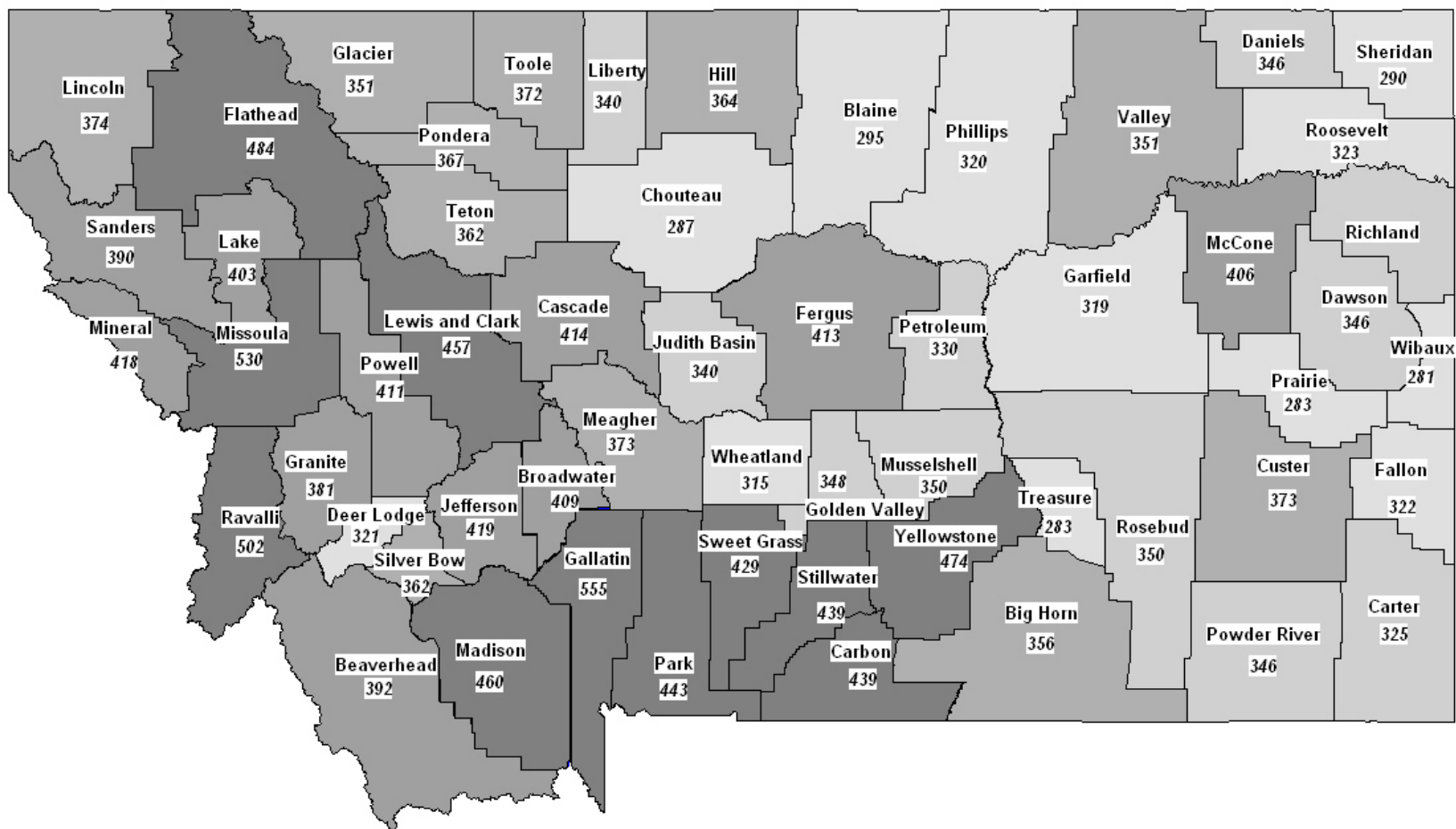
PERCENT OF OWNER HOUSEHOLDS WITH A COST BURDEN BY COUNTY Census 2000



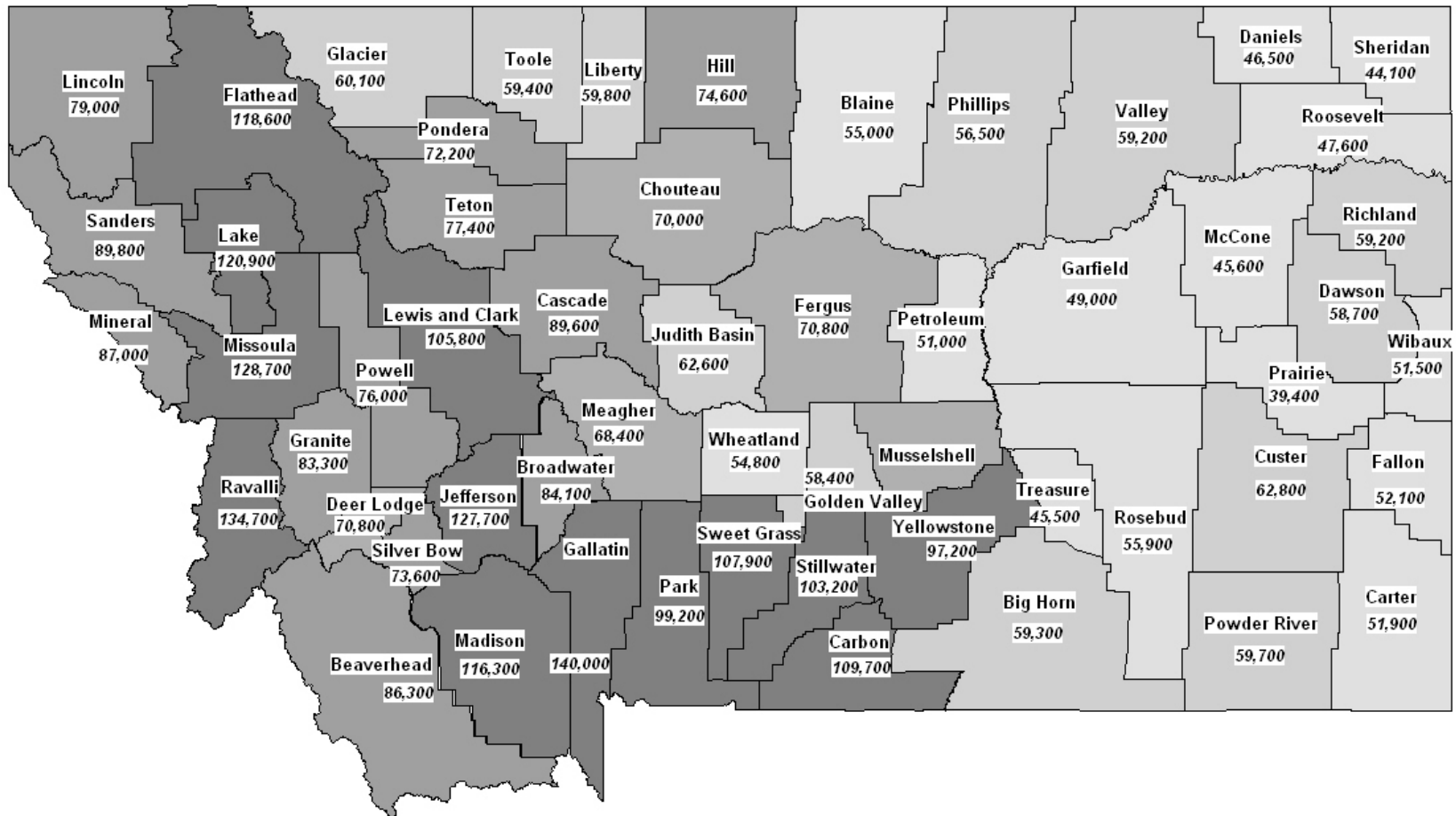
PERCENT OF OWNER HOUSEHOLDS WITH A SEVERE COST BURDEN BY COUNTY Census 2000



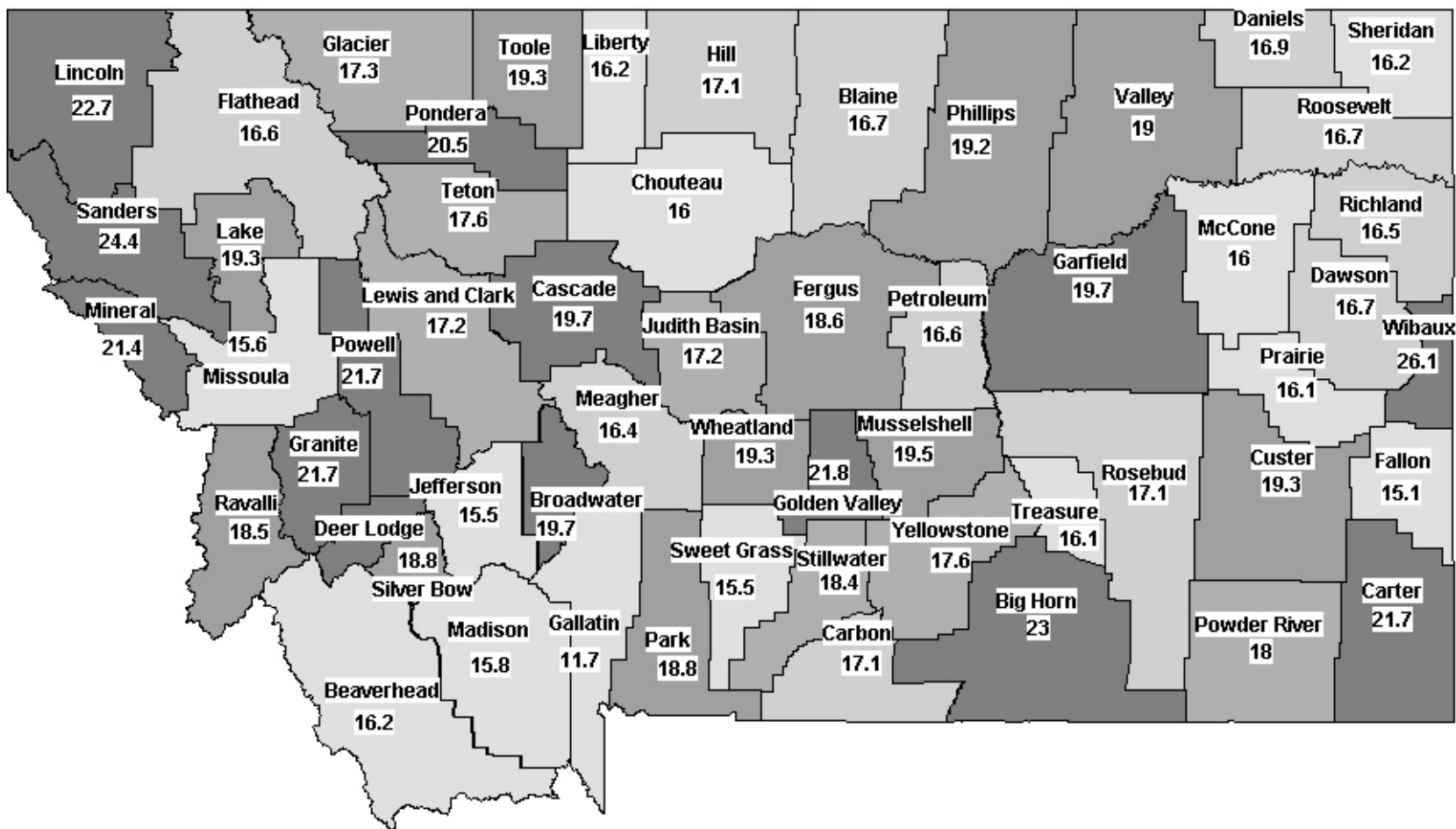
MEDIAN GROSS RENT BY COUNTY **Census 2000**

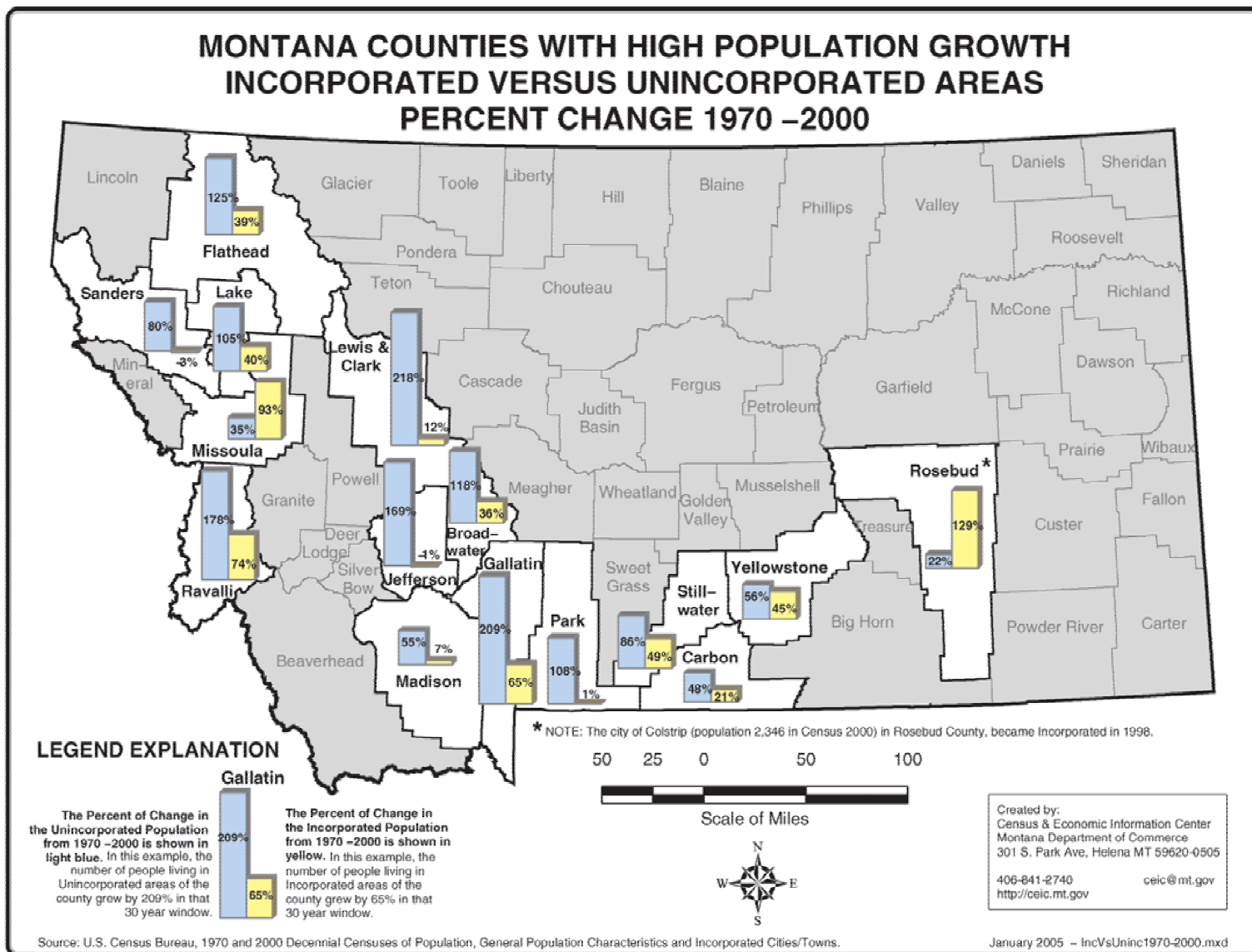


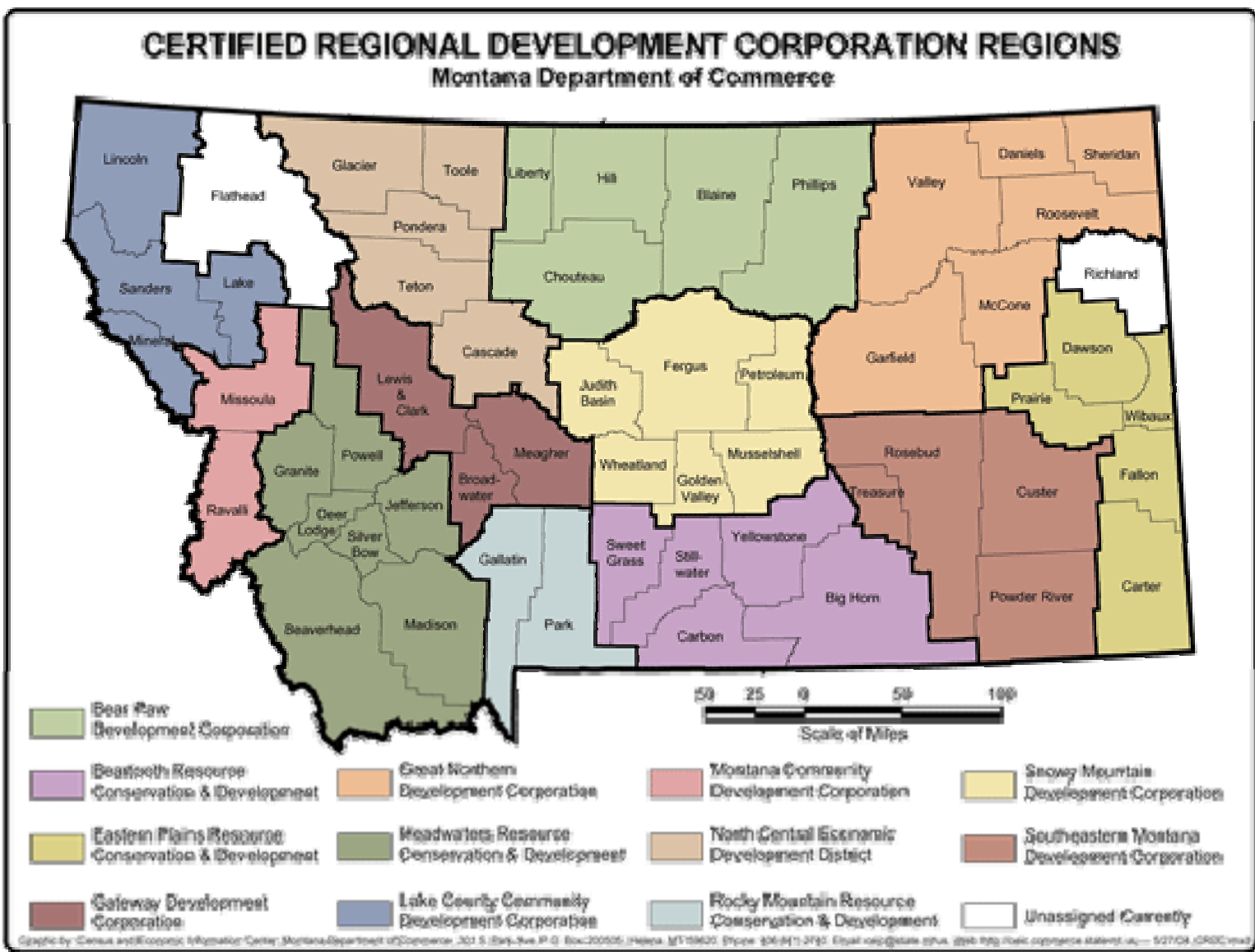
MEDIAN HOME VALUE BY COUNTY Census 2000



PERCENT OF POPULATION AGE 5 AND OVER WITH A DISABILITY BY COUNTY CENSUS 2000

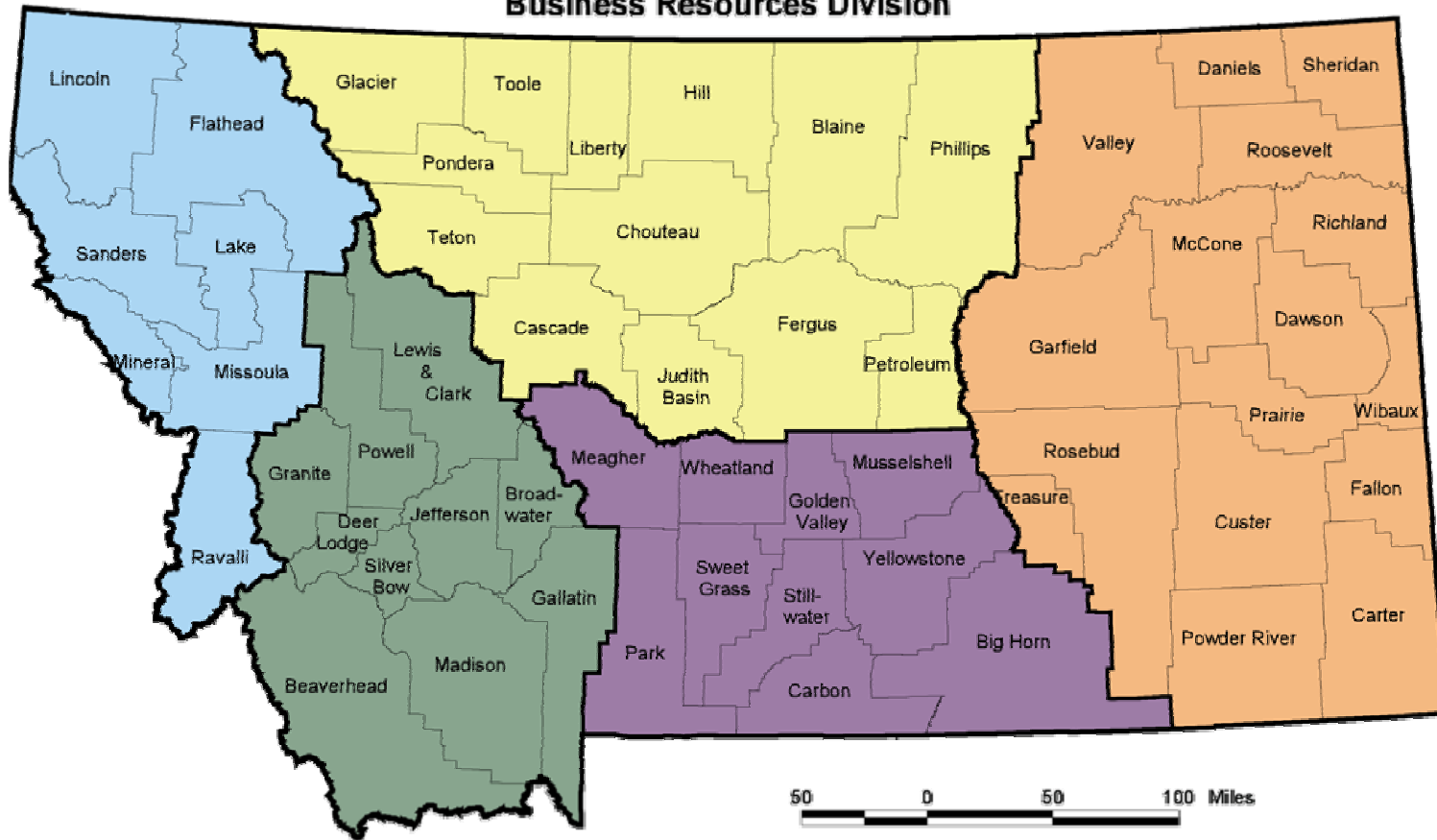






REGIONAL DEVELOPMENT AREAS

Montana Department of Commerce
Business Resources Division



Regional Development Offices

Western RDO

Phone: 257-2259
Fax: 758-2805

Southwestern RDO

Terry Dimock
Phone: 841-2737
Fax: 841-2731

North Central RDO

Randy Hanson
Phone: 262-9579
Fax: 262-9581

South Central RDO

Al Jones
Phone: 655-1696
Fax: 655-0889

Eastern RDO

Tod Kasten
Phone: 485-3374
Fax: 485-3376

Created by:
Geospatial & Economic Information Center
Montana Department of Commerce
381 S. Park Ave., Helena, MT 59620-0383
406-541-2780 spic@state.mt.us
<http://spic.commerce.state.mt.us>

October 8, 2002

rdc.apr

APPENDIX E

MONTANA CONTINUUM OF CARE APPLICATION – EXHIBIT I

2004 Application Summary

This is the first page of your application. Place it in the front of your application.

CoC Contact Person and Organization: Robert Buzzas
 Address: 321 E. Main, St., Suite 316
Bozeman, MT 59715
 Phone Number: 406-586-1572 E-mail Address: civicconsulting@msn.com

Continuum of Care Geography – BY DISTRICTS

DISTRICT 1, 2 & 3	
Carter County	309011
Custer County	309017
Daniels County	309019
Dawson County	309021
Fallon County	309025
Garfield County	309033
McCone County	309055
Phillips County	309071
Powder River County	309075
Prairie County	309079
Richland County	309083
Roosevelt County	309085
Rosebud County	309087
Sheridan County	309091
Treasure County	309103
Valley County	309105
Wibaux County	309109
DISTRICT 4	
Blaine County	309005
Chouteau County	309015
Hill County	309041
Liberty County	309051
DISTRICT 5	
Great Falls	300342
Cascade County	309013
Glacier County	309035
Pondera County	309073
Teton County	309099
Toole County	309101
DISTRICT 6	
Fergus County	309027
Golden Valley County	309037
Judith Basin County	309045
Musselshell County	309065
Petroleum County	309069
Wheatland County	309107

DISTRICT 7	
Billings	300066
Big Horn	309003
Carbon	309009
Yellowstone	309111
Stillwater County	309095
Sweet Grass County	309097
DISTRICT 8	
Broadwater County	309007
Lewis and Clark County	309049
Jefferson County	309043
DISTRICT 9	
Gallatin County	309031
Meagher County	309059
Park County	309067
DISTRICT 10	
Flathead County	309029
Lake County	309047
Lincoln County	309053
Sanders County	309089
DISTRICT 11	
Missoula	300540
Mineral County	309061
Missoula County	309063
Ravalli County	309081
DISTRICT 12	
Beaverhead County	309001
Deer Lodge County	309023
Granite County	309039
Madison County	309057
Powell County	309077
Silver Bow County	309093

Form HUD-40076 COC-A

Exhibit 1: Continuum of Care Planning Process Organizations

Form HUD 40076 CoC-B page 1

Exhibit 1: Continuum of Care Narrative and Form HUD-40076 CoC-B Instructions

Continuum of Care Narrative

Your response should consist of narrative text and a completed form HUD-40076 CoC-B

1. Your Continuum of Care's accomplishments.

Our #1 Priority last year was to "create an effective structure and establish the leadership necessary to improve the coordination of homeless services statewide." The Coalition strategy for achieving this was to recommend, through the Montana Policy Academy, the creation of an interagency council on homelessness. That was done in May of this year when the Governor, through executive action, created the Montana Council on Homeless and appointed 16 members, including department directors, division administrators and bureau chiefs critical to improving the leadership and coordination of homeless services statewide. The Council will become the principle planning body and is uniquely suited to marshalling resources and programs to make the single biggest stride toward eradicating Chronic Homelessness by 2012 that we have achieved yet.

We have also made significant progress in improving case management while also bring new resources to bear through several efforts. Chief among them is a collaboration with the Social Security Administration in a pilot project designed to improve Montana SSI/Medicaid approval rate. We have also initiated pilot projects meant to increase the coordination between local service providers and the State Mental Hospital, State Prison and the State Mental Health Services.

Perhaps most significantly, however, is a major paradigm shift of our Coalition members and others toward the "housing first" concept thanks, in large part, to a workshop the Coalition sponsored with Tanya Tull of Housing First.

In short, we have moved beyond planning into more implementation activities and are beginning to change the way services are provided and policy is made.

2. Your community's *planning process* for developing a Continuum of Care strategy.

a. *Identify the lead entity (i.e., convenor or organization managing the overall process) for the CoC planning process.*

The lead entity is the Montana Continuum of Care Coalition (Coalition) which is a 7 year old statewide collaboration of individuals and organizations representing a wide variety of communities and homeless services. The Coalition has no "official" designation, is not a 501c3 organization nor is it housed within any government entity. It has been, however, the state's only homeless planning entity and has successfully brought together many key players to achieve a long list of accomplishments. It was started by a collaboration between the Montana Department of Public Health and Human Services (DPHHS) and the MT Human Resource Development Councils Association (community action agencies). DPHHS continues to provide staffing through a contract for services and the HRDC Association continues to help underwrite the costs of the annual statewide homeless survey, but governance issues and other decisions are left completely to the Coalition membership.

An Executive Committee of 10 members from 7 communities provides the core leadership to oversee and assess the need for change, the development of committees, and to give directions to the consultant/staff.

Membership on the Executive Committee is open to anyone interested in serving. Other committees this year included: Process Committee, Strategy Committee, Renewal Reviews Committee, Policy Academy, HMIS Development Committee and a MT Council on Homeless Committee.

b. Describe your community's CoC planning process, demonstrating that one well-coordinated process is in place with no overlapping or duplicative efforts.

The Montana Continuum of Care Coalition has been the only planning body in the state addressing homelessness but is happy to report that will now change with the establishment of the Montana Council on Homelessness by the Governor in May of this year. The Coalition is committed to having one single, integrated and inclusive planning body and looks forward to working with the Council and deferring planning and leadership to MCH as the principal homeless planning body starting this fall. Of the 16 appointees to the MCH, 5 active Coalition members are included to help ensure close coordination and integration between these two organizations. While the precise role of the Coalition will be revised this coming year to best complement the efforts of the Council, it is envisioned that it will become a partner in planning and just one of many organizations being coordinated by the Council in implementing a far broader agenda of action items. The following description, therefore, describes the planning process for this past year.

The Coalition reviews its mission and strategy, structure, process, and progress annually at an August Planning Retreat (moved to September 9-10 this year). At least five other meetings throughout the year are needed to continue ongoing planning efforts, develop projects, organize the homeless survey and housing activity survey, refine the coalition's process, ensure project ranking occurs and facilitate the submission of a consolidated CoC application.

Coalition membership or participation is completely open and operates on the principles of **shared-leadership and decision-by-consensus**. Membership averages 50-55 individuals representing every district as well as the 10 largest cities (largest 90,000 and smallest 9600) with about half of those being consistently active throughout the year and from year-to-year. While the Executive provides some core leadership and planning, everything is subject to review and change during the statewide Coalition meetings. Agendas always include time for open discussion and draft agendas are sent prior to each meeting requesting changes or additions.

District	Population	%	Size (Sq. Mi.)	Density (people per sq mi)
1,2,3	81,262	9%	48,499	1.7
4	31,810	4%	12,599	2.5
5	111,740	12%	11,627	9.6
6	22,513	2%	12,371	1.8
7	163,379	18%	13,393	12.2
8	88,063	10%	6,395	13.8
9	85,457	9%	7,840	10.9
10	130,042	14%	13,375	9.7
11	135,756	15%	6,242	21.7
12	70,086	8%	14,701	4.8
Connecticut			5,554	592
New Hampshire			8,215	1,065
Rhode Island			1,214	906.3
Vermont			9,615	62.7
Massachusetts			9,241	770.7
West Virginia			12,232	75.6

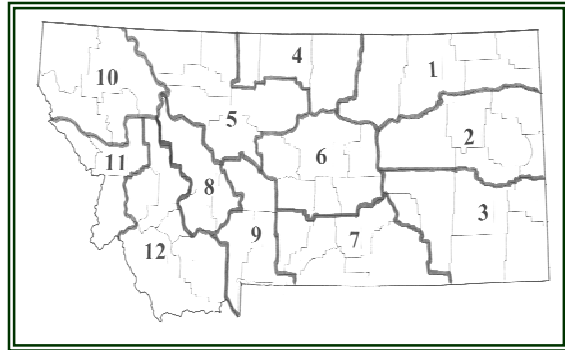
Linkages and coordination with other statewide groups, such as the NAHRO MT Association (housing), the Montana Home Choice Coalition (housing for seriously disabled), the Human Resource Development Council Association, Mental Health Network, Montana Veterans Association and others, is accomplished through cross membership in the Coalition and these other organizations.

Collaboration with state agencies, such as the Addictive and Mental Disorders Division of Dept. of Health, State Veterans Affairs, state Housing programs and Consolidated Plan and the State PATH Coordinator, are all achieved through having representatives from these offices in the Coalition.

Given that most of Montana is very rural and sparsely populated (half of the 56 counties still meet the Frontier designation of fewer than 7 people per square mile), we use districts as the organizational

structure to ensure both geographical participation in the continuum and the delivery of services throughout the state. These are the same districts used by the Human Resource Development Councils since 1964. The following map shows the districts and the table above illustrates the extent to which Montana is challenged to provide services by vast geography and sparse population. Note the comparison of size and population size to the sample states showing districts larger than some states yet only a fraction of the population.

Within these districts are a total of 10 community based or regional continuum of care networks that send representatives to the statewide Coalition meetings. The seven largest cities and towns in the state marked on the map (as dots) provide the major hubs of service that extend to outlying rural areas and encompass approximately two-thirds of the entire state's population.



d. List the names and types of organizations involved in your Continuum of Care.

The list below contains 54 individuals and their organizations that participated in the last year's coalition. Seven (7) represent key programs in state agencies, 3 from local governments, 39 from community and statewide nonprofit organizations or advocacy groups, 5 from Public Housing Authorities and even two from the Social Security Administration (representatives from the HUD state office, including Tom Friesen and Lyle Konkol also participate only in the summer and fall to preclude involvement with any application activity, but are not listed here).

a. List the dates and main topics of your CoC planning meetings held since June 2003, which demonstrate that these meetings (both plenary and committee) are: (1) regularly scheduled; (2) held year round; and (3) not solely focused on developing an application in response to the NOFA.

- July 14-15 HMIS Planning Meeting, D.C., **COMMITTEE**
Two members of the Coalition attended the HMIS, HUD Conference in Lansdowne Virginia and agree to participate in early AHAR reporting to Congress.
- August 25-26 CoC Annual Planning Meeting, Big Sky, **PLENARY**
Annual strategic planning session covering priority setting, process review etc. Learning more about Housing First was prioritized by raising the funds necessary to conduct a statewide workshop.
- September 17 Montana Hunger & Homeless Conference Workshops, Helena, **COMMITTEE**
CoC members sponsored and conducted workshops on Mainstream Resources, Strengthening Case Management, Accessing Mainstream Resources. Philip Mangano came to Montana to attend the conference, meet with the Governor to promote formation of an interagency council on homelessness and conduct a workshop on eradicating CH by 2010.
- September 29 Policy Academy Meeting, Helena, **COMMITTEE**
To continue efforts to implement the Action Plan, especially the interagency council.
- October 21 SSI-Presumptive Eligibility Planning Meeting, Helena, **COMMITTEE**

Sponsored meeting with state program managers to promote the application to SSA for a Presumptive Eligibility Waiver as prioritized in the Policy Academy action steps. The waiver request was not made as state program staff said it wasn't necessary.

- November 21 Statewide CoC Mtng & Housing First Workshop, Missoula, **PLENARY**
Tanya Tull of Beyond Housing, Los Angeles, conducts a one-day workshop on implementing "housing first" strategies. The workshop was intended for Coalition members but open to the public drawing more than 75 people from across the state.
- December 17 Policy Academy Meeting, Helena, **COMMITTEE**
To continue implementing the Action Items, particularly the interagency council.
- January 12 HMIS Grant Implementation Meeting, Helena, **COMMITTEE**
To begin implementing the HMIS grant by bringing together a group of end-users to discuss both system and end-user needs.
- February 12 Foster Care Association Meeting, Helena, **COMMITTEE**
To discuss shared interests and the growing need to address the homelessness that occasionally results when youth age out of foster care. The association agrees to urge its local members to participate in local continuums and to help gather data and coordinate after care planning for aged-out youth.
- February 23 HUD TA Workshop w/ Bozeman Continuum
Coalition request for HUD TA assistance to help build stronger local continuums results in two communities workshops with HUD TA consultant John Epler of Seattle.
- February 24 CoC Statewide Meeting, Helena, **PLENARY**
The primary agenda was "Exploring New Directions for the Montana Continuum of Care," led by HUD TA consultant John Epler. Other planning included a review of the existing ranking process and strategy to increase use of mainstream resources.
- February 25 HUD TA Workshop w/ Billings Continuum
Coalition request for HUD TA assistance to help build stronger local continuums results in two communities workshops with HUD TA consultant John Epler of Seattle.
- March 10 Policy Academy Meeting, Helena, **COMMITTEE**
To meet with staff hired for the impending Montana Council on Homeless and plan for the implementation of the Council.
- March 23 CoC Statewide Meeting, Helena, **PLENARY**
Two committees (a. Strategy for Accessing Mainstream and Eradicating Chronic Homelessness and b. Process for scoring and ranking projects) convened in the morning to review debriefings from HUD and discuss any needed changes. The Statewide Coalition met in the afternoon and discussed committee recommendations, including revisions to our ranking process and strategies for increasing use of resources and addressing discharge planning from state prison and state mental hospitals. All recommendations were accepted by unanimous consent.
- March 26 SSA Pilot Project Planning Meeting, Helena, **COMMITTEE**
After failing to submit a Presumptive Eligibility waiver, a plan to achieve a higher SSI application approval rate was fostered between the Coalition and the Regional Office of

the Social Security Administration. This was the second meeting and actual planning session that resulted in four training sessions and a “red flagged” pilot program to closely scrutinize SSI applications for four months.

- April 23 HMIS Planning Meeting, Helena, **COMMITTEE**
A meeting with the state’s Domestic Abuse Shelter association executive director and other DV shelter directors was held with the Coalition, Dept of Health and Human Services and the HMIS manager, Northrup Grumman, to discuss issues specific to domestic abuse shelters.
- April 26 CoC Statewide Meeting, Application Workshop, Butte, **PLENARY**
Principal agenda items included final review of the new scoring and ranking process, including the recruitment of a third-part Review Panel. Also reviewed HUD debriefing information and other materials for all interested project applicants in order to produce higher quality project applications.
- April 29 HMIS Conference Call, **COMMITTEE**
To continue planning implementation of the HMIS.
- May 7 HMIS Planning Meeting, Helena, **COMMITTEE**
To continue planning implementation of the HMIS.
- June 6 Montana Council on Homeless Inaugural Meeting, Helena, **COMMITTEE**
The first meeting of the Council included the Governor, directors of two departments and others newly appointed to the Council. Discussions focused on how the group wanted to proceed in coming up with an action plan.
- July 8 Statewide CoC Meeting, Bozeman, **PLENARY**
The scoring results from the Review Panel were presented, discussed and accepted as submitted. The discussion included issues concerning funding of supportive services only projects, renewal projects and the future congested “pipeline” of renewal projects. Agenda for the annual planning meeting was also developed.

d. List, using HUD 40076, names and organizations involved in your CoC planning process.

Specific Names of CoC Organizations/Persons	Geographic Area Represented	Subpopulations Represented, if any* (SMI, SA, VETS, HIV/AIDS, DV, Y)	Level of Participation r regularly attends o occasionally attends Ex Exec Comm. PC Process Committee SC Strategy Committee ReC Renewal Review S&H Survey & H'sing Activity Comm PP Pilot Project member PA Policy Academy MCHMT Council on Homeless HMIS HMIS dev. Comm.
Montana CoC Coalition – STATEWIDE			All of the following are members. Coalition meets 5 times a yr
State agencies: <ul style="list-style-type: none"> • Jim Nolan, Dept of Public Health and Human Services • Leslie Edgcomb, MT Con Plan Coordinator, Dept of Commerce • Joe Foster, Dept of Military Affairs, Veteran Affairs • Marcia Armstrong, Addictive & Mental Disorders Div. MT Dept of Public Health and Human Services • Chuck Michaud, Dept of Public Health and Human Services, Addictive Mental Disorders • Michelle Thibodeau, Disability Determination Services, DPHHS • Christina Hine-Rebar, Child & Family Services, DPHHS 	<ul style="list-style-type: none"> • Statewide • Statewide • Statewide • Statewide • Statewide • Statewide • Statewide 	<ul style="list-style-type: none"> • Vets • SA/SMI • SA • SA/SMI • Y 	<i>(see legend above)</i> <ul style="list-style-type: none"> • o, Ex, HMIS, PA • r, PA • o, MCH, PA • o, PP • o, PP • – PP • o
Local government agencies: <ul style="list-style-type: none"> • Kristina Swanson, Missoula County, Office of Grants and Planning • Melanie Lattin, City of Great Falls, Community Development • Belinda Waters, City of Helena, Planning Dept. 	<ul style="list-style-type: none"> • 309063 • 300342 • 309049 		<ul style="list-style-type: none"> • r, Ex, PP chair, HMIS • S&H • O
Nonprofit Agencies: <ul style="list-style-type: none"> • Leslie Colbrese, Dist 1,2,3 HRDC • Vic Miller, Dist 4 Human Resource Development Council • Les Stevenson, Opportunities, Inc., Great Falls; • Ray Jergeson, Opportunities, Inc. Great Falls • Jeanette Park, Dist. 6, HRDC, Lewistown • Judy Schneider, Dist. 7, HRDC, Billings • Dana Burkett, Dist. 9 HRDC, Bozeman • Elissa Mitchell, Dist 12, Human Resources Council, Butte • Gabe Skibsrud, NW Human Resources, Kalispell • Joe Bischof, Poverello Center, Missoula • Julie Emnett, Poverello Center • Bonnie Parrett, Veterans Admin. Medical Center, Helena (all of Montana) 	<ul style="list-style-type: none"> • Dist 1, 2, 3 • Dist 4 • Dist 5 • Dist 5 • Dist 6 • Dist 7 • Dist 9 • Dist 12 • Dist 10 • Dist 11 • Dist 11 • Statewide 	<ul style="list-style-type: none"> • DV, Y • VETS 	<ul style="list-style-type: none"> • o, S&H • r, Ex, S&H • r, S&H • o, HMIS • S&H • r, Ex, S&H, SC, HMIS • o, S&H • r, Ex • o • r, Ex, PA, MCH, PP • HMIS • r, S&H
<ul style="list-style-type: none"> • Linda Blankenship, Gateway Recovery Home, Grt Falls • Tracy Houck, Gateway Recovery Home • Janet Henderson. Gateway Recovery Home, • Stacey Umhey, SAFE, Hamilton. • Julie McGill, SAFE, Hamilton, • Chris Krager, Samaritan House, Kalispell 	<ul style="list-style-type: none"> • Dist 5 • Dist 5 • Dist 5 • 309081 • 309029 • 309029 	<ul style="list-style-type: none"> • SMI/SA • SMI/SA • SMI/SA • DV • DV 	<ul style="list-style-type: none"> • o • r, SC • o • r, Ex, SC, HMIS • o • r, Ex, PC, HMIS

Specific Names of CoC Organizations/Persons	Geographic Area Represented	Subpopulations Represented, if any* (SMI, SA, VETS, HIV/AIDS, DV, Y)	Level of Participation r regularly attends o occasionally attends Ex Exec Comm. PC Process Committee SC Strategy Committee ReC Renewal Review S&H Survey & H'sing Activity Comm PP Pilot Project member PA Policy Academy MCHMT Council on Homeless HMIS HMIS dev. Comm.
<ul style="list-style-type: none"> Janet Cahill, The Abbie House, Kalispell, 309029 Tootie Welker, Coalition for Families, Thompson Falls Merle Ann Loman, SAFE, Hamilton, 309081 Gypsy Ray, Mountain Home, Missoula, 309063 Cindy Weese, YWCA, Missoula, 309063 Eryn Sale, YWCA, Missoula, 309063 Sue Rajacich, Turning Point/Share House, Missoula Lindsay Pietig, Salvation Army, Missoula, 309063. Maria Nyberg, Alan Miller, Dwayne Miller, God's Love, Helena, 309049 Theresa McCarthy, Dist 12 HRDC, Butte Henry Graciano, Salvation Army, Missoula Pat Seiler, Florence Crittenton Home, Helena Jenni Wendt, Florence Crittenton Home, Helena Susan Anderson, Dawson Co. Domestic Violence Program Michael O'Neil, AWARE & Home Choice Coalition, Helena Nancy O'Connel, NW MT Veterans Stand Down 	<ul style="list-style-type: none"> Dist 10 & 11 309089 309081 Statewide Dist 11. Dist 11 Dist 11 Dist 11 Statewide Dist 12 309011 Statewide Statewide Dist 1, 2, 3 Statewide 309029, 309047, 309053 “ “ “ Dist 11 ,12, 9 Statewide Dist 8 Statewide 	<ul style="list-style-type: none"> DV DV DV Y Y Y DV VETS VETS SMI SMI SMI 	<ul style="list-style-type: none"> o r, S&H, SC o r, Ex, ReC r, SC, HMIS, ReC r, SC r, r r, Ex, PC, HMIS Ex, SC, HMIS o r r o r, PA, SC, PP r r o o r, PP r, SC
Banks: (see local CoC groups)			
Public Housing Authorities: <ul style="list-style-type: none"> Peter Hance, Dir, Public Housing Authority, Missoula. 309063 Revonda Stordahl, Public Housing Authority, Butte. 309093 Matt Schrowe, Helena PHA, 309049 Lucy Brown, Public Housing Authority, Billings. 30911 Corliss Iron, Crow Tribal Housing Authority 	<ul style="list-style-type: none"> Dist 11 Dist 12 Dist 8 Dist 12 309003 	<ul style="list-style-type: none"> SMI SMI/SA SMI SMI/SA 	<ul style="list-style-type: none"> r, Ex, PC, r, S&H. ReC r, HMIS o o

MISSOULA (DISTRICT 11)	Geographic Area (see codes in 1 st column)	Subpopulations Represented, if any*	Level of Participation (activity and frequency) in Planning Process
300540, 309061, 309063, 309081			
State agencies: Jennifer Carter, Missoula Office of Public Assistance, MT Dept of Public Health and Human Services	Dist 11* (see codes in 1 st column)		Attend monthly ARHC meetings; participate in local survey & projects

MISSOULA (DISTRICT 11) 300540, 309061, 309063, 309081	Geographic Area (see codes in 1 st column)	Subpopulations Represented, if any*	Level of Participation (activity and frequency) in Planning Process
Sue Brown, Barbara Arnold, Work Opportunity Resource Center, Job Service, Montana Dept. of Labor & Industry	Dist 11		Attend monthly ARHC meetings; participate in local survey & projects
Local government agencies: Pam Schlegel, Missoula City/County Health Dept.	Dist 11	SMI/SA	Attend monthly ARHC meetings; participate in local survey & projects
Kristina Swanson, Cindy Wulfekuhle, Leslie McClintock, Jenifer Blumberg, Missoula City/County Office of Planning & Grants	Dist 11		Facilitate and staff local continuum (ARHC)
Public Housing Authorities (PHAs): Peter Hance, Michael Anne Lepole, Andrea Davis, Missoula Housing Authority	Dist 11 Dist 11		Attend monthly ARHC meetings; participate in local survey & projects
Nonprofit organizations (includes Faith-Based organizations): Heidi Davis, AWARE Youth Homes	Dist 11	Y	Attend monthly ARHC meetings; participate in local survey & projects
Jim McGrath, Garden City Harvest	Dist 11		Member
Eileen Sansom, Bernie O'Connor, Missoula Aging Services	Dist 11		Attend monthly ARHC meetings; participate in local survey & projects
Steve Woodward, Missoula AIDS Council	Dist 11	HIV/AIDS	Attend monthly ARHC meetings; participate in local survey & projects
Kim Ball, Missoula Youth Homes	Dist 11	Y	Ex Officio Member
Judy Smith, WORD -Women's Opportunity and Resource Development	Dist 11		Ex Officio Member
Ren Essene, homeWORD	Dist 11		Ex Officio Member
Joe Loos, Casey Family Programs	Dist 11	Y, DV	Attend monthly ARHC meetings; participate in local survey & projects
Businesses/Business Associations: Judy Wing, The United Way	Dist 11		Ex Officio Member
Jim Morton, Kate Jerim, Human Resource Council	Dist 11		Attend monthly ARHC meetings; participate in local survey & projects
Larry DeGarmo, Joseph Residence	Dist 11		Attend monthly ARHC meetings; participate in local survey & projects
Rob Wales, Missoula Food Bank	Dist 11		Attend monthly ARHC meetings; participate in local survey & projects
Gypsy Ray, Mountain Home	Dist 11	Y	Attend monthly ARHC meetings; participate in local survey & projects

MISSOULA (DISTRICT 11) 300540, 309061, 309063, 309081	Geographic Area (see codes in 1 st column)	Subpopulations Represented, if any*	Level of Participation (activity and frequency) in Planning Process
Joe Bischoff, Julie Emmett, Poverello Center	Dist 11		Attend monthly ARHC meetings; participate in local survey & projects
Henry Graciani, Lindsay Pietig, Salvation Army	Dist 11		Attend monthly ARHC meetings; participate in local survey & projects
Sue Rajacich, SHARE House	Dist 11	SMI/SA	Attend monthly ARHC meetings; participate in local survey & projects
Greg Burnham, Veterans Center	Dist 11	VETS	Ex Officio Member
Patty Kent, Gene Durand, Western MT Mental Health Center	Dist 11	SMI/SA	Attend monthly ARHC meetings; participate in local survey & projects
Cindy Weese, Eryn Sale, YWCA	Dist 11	.....	Attend monthly ARHC meetings; participate in local survey & projects
Kristi Gough, WORD Family Basics	Dist 11	.....	Attend monthly ARHC meetings; participate in local survey & projects

HELENA (DISTRICT 8) 3090007, 309049, 309043	Geographic Area (see codes in 1 st column)	Subpopulations Represented, if any*	Level of Participation (activity and frequency) in Planning Process
State agencies: Dave Morey, Office of Public Instruction	Dist 8 (see codes in 1 st column)	.....	Member, regular
Local government agencies: Sharon Haugen, Lewis & Clark County Beau Snell, Montana Youth Homes Ed Robinson, Helena Bus	Dist 8 Dist 8 Dist 8	..... Y Y	Chair, regular Member, regular Member, regular
Public Housing Authorities (PHAs): Colleen McCarthy, Helena Housing Auth. Sharon Southern, Helena Housing Auth.	Dist 8 Dist 8	..... .....	Vice Chair, reg Member, reg
Nonprofit organizations (includes Faith-Based organizations):			
Sue Bauer, Rocky Mountain Development Council	Dist 8	DV	Member, regular
Maria Nyberg	Dist 8	SMI, SA	Member, regular
Michelle Shoquist, Rural Development	Dist 8	.....	Member, regular
Becki Brandborg, Budgeting Class	Dist 8	.....	Member, regular
Michael O'Neil, AWARE, Inc.	Dist 8	SMI	Member, regular
Pam Carlson, Career Training Institute (CTI)	Dist 8	.....	Member, regular
Leslie Allen, CTI	Dist 8	.....	Member, regular
Deb Bushnell, CTI	Dist 8	.....	Member, regular
Dianne Zhinden, Consumer Credit Council	Dist 8	.....	Member, regular
Jennifer Wendt, Florence Crittenton Home	Dist 8	Y	Member, regular
Holly Kaleczyc, Friendship Center	Dist 8	DV	Member, regular
Darren Nealis, Golden Triangle Mental Health Cnt	Dist 8	SMI, SA	Member, regular
Moe Wosepka, Good Samaritan	Dist 8	.....	Member, regular

HELENA (DISTRICT 8) 3090007, 309049, 309043	Geographic Area (see codes in 1 st column)	Subpopulations Represented, if any*	Level of Participation (activity and frequency) in Planning Process
Janet Coughlin, Headstart	Dist 8	Y	Member, regular
Ann Waickman, Helena Food Share	Dist 8	.....	Member, regular
Debby Flanassas, Lewis & Clark Human Svcs	Dist 8	.....	Member, regular
Steve Staneart, Salvation Army	Dist 8	.....	Member, regular
Tim McCauley, United Way	Dist 8	.....	Member, regular
Bonnie Parrett, Veterans Administration	Dist 8	VETS	Member, regular
Rick Salyer, Veterans Advocate	Dist 8	VETS (homeless)	Member, regular
Judy Erickson	Dist 8	Homeless	Member, regular
Business:			
Connie Christofferson, Valley Bank	Dist 8	.....	Member, regular
Donna Holt	Dist 8	.....	Member, regular
Maureen Rude, Fannie Mae	Dist 8	.....	Member, regular

Kalispell (DISTRICT 10) 309029, 309047, 309053	Geographic Area (see codes in 1 st column)	Subpopulations Represented, if any*	Level of Participation (activity and frequency) in Planning Process
State Agencies:			
Flathead Office of Pubic Assistance, Montana Dept. of Public Health & Human Services (Judy Yeats & John Garner)	Dist 10 (see codes in 1 st column)		Regularly attend CoC, votes, mtngs, needs assessment, homeless survey
Montana State Vocational Rehabilitation Dept. (Vona Sundberg)	Dist 10	SA	Attends regularly, votes on projects, local needs assessment, survey
Job Service, Montana Dept. of Labor & Industry, (Tom Marx & Pat Hula), Montana's Employment and Training Programs, WoRC and JTPA (Judi Filler, Jeannie McFarland)	Dist 10		Attends regularly, votes on projects, local needs assessment, survey
Local Government Agencies:			
Kalispell Police Dept. (Frank Garner), Flathead County Sheriffs Dept., (Jim Dupont)	Dist 10		Attends occasionally, local needs,
Flathead County/City Health Dept. (Wendy Doley)	Dist 10	SA, HIV/AIDS	
Flathead County and City of Kalispell Planning and Development, (Susan Moyer)	Dist 10		Attends regularly, votes on projects, local needs assessment, survey
Public Housing Authorities (PHAs)			
City of Whitefish Housing Assistance, (Sue Ann Grogan)	Dist 10		Attends regularly, votes on projects, local needs assessment, survey
Nonprofit Organizations:			
Nurturing Center Child Care Resource & Referral Center, (Susan Christofferson)	Dist 10	Y	Attends regularly, votes on projects, local needs assessment, survey
Montana Peaks, (Mary Danford)	Dist 10	Y	Attends occasionally, participates in needs assessment

Kalispell (DISTRICT 10) 309029, 309047, 309053	Geographic Area (see codes in 1 st column)	Subpopulations Represented, if any*	Level of Participation (activity and frequency) in Planning Process
Northwest Montana Head Start, (Cheryl French)	Dist 10	Y	Attends regularly, votes on projects, local needs assessment, survey
Summit Independent Living, (Randy Modrell)	Dist 10	SMI, SA	Attends regularly, votes on projects, local needs assessment, survey
Special Friends Advocacy, (Gay Modrell)	Dist 10	HIV/AIDS	Attends regularly, votes on projects, local needs assessment, survey
Counsel on Aging, (Jim Atkinson)	Dist 10	G	Attends occasionally, participates in needs assessment
Flathead Food Bank, (Katharine Thompson)	Dist 10		Attends regularly, votes on projects, local needs assessment, survey
Violence Free Crisis, Abbey House, (Janet Cahill)	Dist 10	DV	Attends regularly, votes on projects, local needs assessment, survey
Montana Mental Health/Lamplighter Day Treatment Program, (Kelly Seaman & Cheryl Agen)	Dist 10	SMI/SA	Attends regularly, votes on projects, local needs assessment, survey
Northwest Montana Human Resource Counsel, (Doug Rauthe & Jim Lackey)	Dist 10		Attends regularly, votes on projects, local needs assessment, survey
Salvation Army, (Monty Jones)	Dist 10		Attends regularly, votes on projects, local needs assessment, survey
Eagle Transit, (Deanna Thielman)	Dist 10		Attends occasionally, participates in needs assessment
Literacy Volunteers, (Lucy Smith)	Dist 10		Attends occasionally, participates in needs assessment
Flathead Valley Chemical Dependency	Dist 10	SA	Attends regularly, votes on projects, local needs assessment, survey
Businesses/Business Associations: Glacier National Bank, (Steve VanHelden)	Dist 10		Attends occasionally, participates in needs assessment
J & C & C & S, CPA Firm	Dist 10		Attends occasionally, participates in needs assessment
Homeless/former homeless persons: Emmett Gibson	Dist 10	VETS	Attends regularly, votes on projects, local needs assessment, survey

Kalispell (DISTRICT 10) 309029, 309047, 309053	Geographic Area (see codes in 1 st column)	Subpopulations Represented, if any*	Level of Participation (activity and frequency) in Planning Process
Linda Wilson	Dist 10		Attends regularly, votes on projects, local needs assessment, survey
Funders: The United Way, (Sherry Stevens-Wolf)	Dist 10		Attends regularly, votes on projects, Coordinates the local resource inventory, participates in needs assessment & survey

	Geographic Area	Subpopulations Represented, if any*	Level of Participation (activity and frequency) in Planning Process
Havre, District IV			
State agencies:			
Local government agencies: Mayor Bob Rice- City of Havre Kathy Bessette- Hill County Commissioner Pete Paulsen-Family Services Katie Heath- Public Assistance	309041 309041 309041 309041	Y	Committee Member Committee Member Committee Member Committee Member
Public Housing Authorities (PHAs):			
Nonprofit organizations (includes Faith-Based organizations): Vic Miller- Director, District IV HRDC	309041 309005 309051		Committee Member
Diane Savasten-Housing	309041 309005 309051		Committee Member
Roxanne Ross- Domestic Abuse Program	309041 309005 309051	DV	Committee Member
Salvation Army-Ralph Guthrie Golden Triangle Mental Health-Joe Uhl American Red Cross-Vicki Schend North Havre Community Services-Max Connor Havre Ministerial Association-Sister Judith Maender Feed My Sheep Soup Kitchen-Marvin Gunnarson	309041 309041 309041 309041 309041 309041	Y SMI	Committee Member Committee Member Committee Member Committee Member Committee Member
Businesses/Business Associations:			
Homeless/Formerly homeless persons: Luci Shortman	309041		Committee Member
Other e.g.: Law Enforcement Hospital/Medical, Funders			

BILLINGS (DISTRICT 7)	Geographic Area	Subpopulations Represented, if any*	Level of Participation (activity and frequency) in Planning Process
State agencies:			
Kathleen Miller, Job Service	30066, 30911, 309003, 30909, 30905	.....	Chair, Steering comm. Attends all monthly mtngs, planning mtngs
Patty West, Office of Public Assistance	309097	.....	Steering comm., attends most monthly mtngs
Jay Kirk, Mental Health	30911	SMI	Steering comm., attends all planning mtngs.
Local government agencies:			
Susan Runkle, Billings Public Schools	300066	Y	Steering comm., attends most monthly mtngs
Public Housing Authorities (PHAs):			
Vicki Davis, Housing Authority of Billings	300066	.....	St
Nonprofit organizations (includes Faith-Based organizations):			
Tammy Rasmussen, Dist 7 HRDC	300066, 309111, 309003, 309009, 309095, 309097	.....	Steering comm. Member, attends all monthly planning mtngs
Lori Hartford, Health Care for the Homeless	309111	.....	Steering comm. Member, attends all monthly planning mtngs
Janet Ludwig, Montana Legal Services	309111	.....	Steering comm. Member, attends all monthly planning mtngs
Jennifer Johnstone Smith, YWCA	300066	DV	Steering comm. Member, attends all monthly planning mtngs
Foundations:			
Harry Merchant, St. Vincent DePaul Foundation	309111	.....	Treasurer, Steering committee, attends all monthly and planning mtngs
Linda Robbins, Family Service Foundation	309111	.....	Secretary, Steering committee member, attends all monthly planning meetings.
Other:			
Sharon Ellis, Community at large	300066	SMI	Steering committee member, attends some monthly planning meetings.

Form HUD 40076 CoC-B page 2

Exhibit 1: Continuum of Care Goals and System Under Development

Chronic Homelessness Strategy/Goals

3. Your community's CoC goals and system under development.

(1) Past Performance

a. specific actions.

The 2003-04 MT CoC Plan (Sept.'03 thru Aug.'04) included 12 goals and 30 action steps designed to address the Chronic Homeless Action Plan jointly developed and adopted by the MT CoC Coalition and the MT Chronic Homeless Policy Academy Team. We have successfully implemented 21 action steps in every goal area, continue to make progress in 7 others, and dropped 2 only after considerable effort.

Specific actions included:

1. Established on May 7, 2004, by Executive Order of the Governor, the Montana Council on Homelessness (Council). The Council met in May with the Governor and is preparing to engage in a series of planning sessions to map out its goals and action steps.
2. Inventoried all state discharge policies, including state prison, youth corrections facility, state mental hospital, foster care program, nursing care center and the state chemical dependency center. As a result, the MT CoC Coalition is initiating two pilot programs specific to the State Prison and the State Mental Hospital for creating better community mobilization of housing and other services for discharges.
3. In collaboration with the Regional Social Security Administration office in Denver, the Coalition developed a pilot project designed to increase SSI acceptance rates by "red flagging" disability determination applications for four months for special scrutiny and developed joint training for community mental health center case managers and supervisors to improve the quality of SSI applications. Workshops were held in Great Falls and Helena in April (30 attendees each), and at the State Mental Hospital for social work staff in May. Another training is planned in July and next steps include a training for hospital psychologists conducting diagnoses and follow-up training in Helena in October.
4. Signed a Memorandum of Understanding with the Montana State Mental Hospital to cooperatively work together to prevent the discharge of any patients into homelessness (the hospital initiates discharge planning within 10 days of admitting a patient and makes every effort to include a contact from a community mental health center in preparing an After Care Plan for each patient).
5. Efforts promoting VA grants to CoC participants resulted in Montana going from no funding to the award of 5 different grants to CoC participants for per diem and service center grants that will provide 73 new transitional housing beds and fund contacts with 725 homeless veterans in two communities including a grant for acquisition and renovation of a service site and an outreach van.
6. Raised funds from Fannie Mae, MT. Board of Housing, MT Department of Health and the State Community Action Partners Association to sponsor a statewide "Housing First" Workshop conducted by Tanya Tull of Beyond Shelter, Inc., Los Angeles, CA.
7. Conducted a statewide workshop on Cultural Sensitivity in Case Management designed to help case managers deal more effectively with CH individuals.
8. Conducted a statewide "pre-release" workshop on HUD's "First Step" Case Management software and currently distributing disks and other materials statewide.
9. The MT VA Affairs office developed a model for community "Stand Downs" and is providing some financial and other support to promote more Stand Downs throughout the state. Two Stand Downs are occurring this year in Billings, September 11 and in Libby, October 2 (in 2003, Libby was the site of the nation's largest veterans Stand Down).
10. Reached an agreement with the MT Dept of Health to administer the HMIS and currently in the final implementation phase.

11. Revamped the statewide homeless survey to better capture chronic homeless numbers. Changed the survey date from spring to fall to better accommodate other workloads (but will now probably change to January due to NOFA requirements).

b. Impact on the number of chronic homeless,

While some of the actions above are easily quantified, it is important to note that other immeasurable actions are considered to be our most important accomplishments. Chief among them is the creation of the Montana Council on Homelessness, very likely the single most critical step toward eradicating chronic homelessness by 2010. While no quantifiable impact is available, the state level leadership from policy makers and agency directors that has heretofore been scarce is now building.

The pilot project (#3 above) developed jointly between the Coalition and the Regional Social Security Administration's office in Denver is targeted to increase the State's SSI acceptance rate from 32% to 80% which will result in the number of CH individuals receiving immediate Medicaid and SSI benefits increasing from about 30 to 80.

The VA grants (#5 above) are providing 63 new TH beds in two communities with high homelessness. A conservative estimate of a 2 month average stay means 378 total individuals will be housed and about 25% or about 95 will be CH. We anticipate that about 25% or 24 individuals will be referred successfully to substance abuse or mental health treatment. The service centers will contact about 8700 homeless veterans a year of which about 2,175 are estimated to CH and that 10% or 217 will be successfully referred to treatment or other services leading to stability and permanent housing. In short, we hope these grants will lead to 240 CH individuals moving out of homelessness.

The upcoming fall homeless and facilities survey (which was changed this year from a spring survey) is designed to provide us with some measurable data for whether such Coalition efforts as the workshops (#7 & #8) are effectively increasing outreach and improving case management, particularly to the CH. Until then, however, APR comparisons can at least provide some anecdotal impacts. Most obvious is the sheer increase in the number of clients. In 2003, 10 renewal projects exited 348 clients compared to 1167 for 13 renewal projects this year. While the percent change in enrollment in various mainstream programs improved only slightly, the dramatic increase in the number of clients means case managers were exiting more clients in mainstream services than before (SSI, 64-241, TANF 51-165, Employment Income 159-852, Medicaid 113-284, Food Stamps 233-819). While we cannot distinguish CH from other homeless in these numbers, we are confident that the SSI and Medicaid numbers reflect significant increases in the CH population.

The impacts from the "Stand Downs" (#9) which are planned for September and October are expected to reach well over 2,000 veterans in Billings and Libby. While we cannot estimate or quantify the impact at this time, both Stand Downs have enrollment or intake and referral services to many programs. Anecdotal evidence and stories indicate that a number of veterans find their road out of homelessness through processes that start with the Stand Downs (we are trying to capture better data starting this fall).

While we failed to increase our PSH vouchers by 31 units, as planned, CoC partner Home Choice Coalition and CoC member Michael O'Neil was successful in moving projects that have or will (in the next couple of months) create 38 new units in 5 communities of permanent housing for seriously disabled individuals with long term histories of institutionalization. While not specifically set aside for homeless, some of the residents were homeless at the time of entering the State Mental Hospital and others are at high-risk of homelessness without these units.

c. remaining obstacles

The largest obstacle continues to be the need for state policy leadership and state agency commitment that will bring more resources and coordination to bear on the problem. We now have the structure created through the Montana Council on Homelessness and have benefited particularly from the Governor's commitment and the Director of the Dept. of Health and Human Services which are leading to even broader engagement. This is a significant achievement. One potential obstacle now, however, is that the current Administration is "lame duck" and will leave office after the upcoming November election. Inevitably, this will bring new leadership, department directors and, to some extent, shakeups in current management positions. The Coalition intends to address this potential obstacle by working closely with the new Council to ensure momentum gained over the past year is not lost.

The shortage of beds/slots for both substance abuse treatment and mental health treatment and the availability of permanent housing when it is needed also continue to be major obstacles. While we are making inroads through programs such as S+C, we are fearful of losing ground in the Section 8 Voucher program. This problem is being presented to the Montana Council on Homelessness as one of its' most serious challenges in the hope that state housing resources will be made available for the CH population.

(2) Current Chronic Homelessness Strategy

The number one priority jointly developed by the recent Montana Chronic Homeless Policy Academy team and the MT CoC Coalition, continues to be "*#1. To establish both the leadership and statewide structure necessary to provide the coordinated effort necessary to end chronic homelessness by 2010,*"

The next three priorities are:

2. To improve effective case management.
3. To access new resources that can make a difference
4. To create new outreach efforts to hard-to-reach C.H.

Our strategy for addressing these priorities include the following:

Creating the Montana Council on Homeless is the primary means for creating both the leadership, statewide structure and coordinated effort called for in our #1 strategy and priority. Foremost among the attributes of the Council are that it includes high ranking state officials and policy makers as well as service providers who are new and critical participants in the homeless planning effort. With their involvement, we will be much more effective in coordinating the delivery of services, programs and case management, prioritizing outreach through all programs under state purview and marshalling more and new resources.

The Coalition supports the Council becoming the primary homeless planning body and we are committed to not having two separate or disconnected planning efforts. The Council will be the critical vehicle for moving forward in all of our strategy areas.

Because the Council and the emerging leadership are still in the nascent stages, we will continue to focus much of our resources and attention to the successful "activation" of the Council. To fully engage all members, particularly the newer ones, and for the Council to become an effective leader of change, however, it is necessary for the Council to undertake yet another homeless planning process. The Coalition's role will be to support and working through the Council to produce a new plan.

At the first Council meeting in May, Coalition members suggested that the Council adopt both short term and long term goals so that action steps already developed by the Policy Academy Team could continue to be implemented (and not lost) while longer term goals could still be adopted during the Council planning sessions beginning this July or August.

In the meantime, the Coalition has prioritized 7 short term goals with 20 action items that either complement some of the Council's short term goals, boost the Council's planning process or continue to achieve results in already initiated efforts. Some critical goals have been deferred to the Council.

Establishing the HMIS system and tracking institutional discharges to provide reliable data, tracking systems and outcome measuring capabilities will continue to be a major task for the Coalition in collaboration with the system manager, the MT Dept. of Health and Human Services (DPHHS). While DPHHS is responsible for providing the system, the Coalition is primarily responsible for recruiting participation. This data will drive the development of actions under all of our strategies, including increased leadership and coordination of resources, more effective case management and outreach efforts, and the mobilization of new state resources (we hope).

We are also adding a pilot project that will include information not provided in HMIS to try and account for and track the admittance and discharge of CH from 4 major hospitals, 4 city or county jails, the Montana State Hospital and the Montana State Prison. Our statewide homeless survey indicated that 11% of the CH spent the previous evening in one of these institutions. While other action items directly curtail these incidences, this pilot project will help us design further actions by providing better data on frequency and better understanding of the conditions.

Preventing Institutional Discharge into Homelessness. While not directly a result of a specific priority or strategy, we are addressing the prevention of institutional discharge into homelessness. This effort does, however, directly contribute to the strategies of building greater leadership and coordination as well as improving case management. For example, discussions leading to a memorandum of understanding with the director of the State Hospital was one factor in his increased commitment to homelessness as a state administrator as well as his participation with local program case managers to find additional ways to decrease the incidence of homeless (however small) from discharges. Goals and Actions are provided in the following Strategy/Goals table.

Increasing & Improving CH Outreach. *Our statewide homeless survey indicated 97 sheltered and 117 unsheltered CH.* The Coalition will be proposing that measures to increase and improve outreach to CH become a major goal of the Montana Council on Homeless. To further this strategy, the Coalition will document and model two pilot projects in two communities providing "one-stop" and "co-location" of services. While there are other similar community programs doing the same thing, two specific initiatives have been selected to demonstrate to the Council the need for state policy level support for even broader efforts. Goals and Actions are provided in the following Strategy/Goals table.

Increase Use of Mainstream Resources. As a means of continuing to improve case management and better utilize mainstream resources, (priorities 2 & 3), the coalition intends to undertake efforts to prioritize increased enrollments in SSI, Food Stamps and VA benefits. Our statewide homeless survey indicates that only 18% of the CH are enrolled in SSI and only 14.5% in food stamps. Similarly, APR 2003-2004 comparisons show enrollments have increased only 2% for SSI and 3.3% for food stamps. Similarly, our survey indicates that 10% of CH need assistance with making Veterans claims and only 3.5% are receiving any Veterans benefits. Goals and Actions are provided in the following Strategy/Goals table.

Mobilizing new resources will also be achieved thru a proposal being developed for an innovative use of a state-bridge fund that will make S+C vouchers more available across the state in less served rural areas or for harder to serve clients. The Coalition will also be asking the Council to adopt the need for more PSH as a high priority and to consider a Coalition proposal to set aside or prioritize a portion of the Montana Board of Housing funds for the creation of new PSH. The Coalition is also working with Fannie Mae to co-develop a project or series of activities intended to utilize the \$100 Million Tax Credit

Partnership Fund to spur supportive housing development. Goals and Actions are provided in the following Strategy/Goals table.

Increasing Role of Municipalities. Last, but not least, a new strategy for the Coalition is increasing the commitment of local governments, particularly mayors, council members and chief executives in playing a greater partnership role in addressing chronic homelessness. ***This strategy was adopted in response to our homeless survey indicating that 70% of the CH have been in the community for 2 years or more.*** Our CH population is not a highly transient population, rather they are residents of our communities. The activities will include distributing information packets detailing homeless data and efforts in their own community and modeling innovative ways other local governments are partnering with state, federal and nonprofits to eradicate homelessness. A model resolution is also being promoted that includes a pledge to join with other municipalities across the country to eradicate CH by 2010 and agreeing to direct their relevant municipal services, e.g. police, housing or community development and planning departments to participate in their local continuums to develop outreach, referral and PSH programs.

(3) Future Goals.

Goal: End Chronic Homelessness (“What” are you trying to accomplish)	Action Steps (“How” are you to go about accomplishing it)	Responsible Person/Organization (“Who” is responsible for accomplishing it)	Target Dates (mo/yr will be accomplished)
Ex: Count unsheltered homeless to establish baseline	Annual street counts of unsheltered homeless persons	Emergency Shelter Commission	January 2005
Goal 1: Increase State Level Commitment & Leadership <i>“Fully activate the MT Council on Homeless and produce a new Plan to Eradicate CH by 2010”</i>	#1. Participate fully in activating the MT Council on Homeless and developing and implementing a plan to eradicate CH by 2010	Joe Bischof/CoC Lori Hartford/CoC Bob Buzzas/CoC Terry Teichrow/CoC	Throughout the 2004-05 planning meetings.
Goal 2: Establish reliable counting, tracking and outcomes measurement system. <i>“Fully implement HMIS and supplemental information tracking sources”</i>	#1. Revamp Annual Homeless Count to be conducted every January #2. Implement HMIS to achieve A) 100% of CoC grantees and B) 50% participation of all shelters, TH and PSH organizations in the state. #3. Implement information tracking of CH persons in 4 major hospitals, 4 jails, the state hospital and prison.	Bob Buzzas / CoC Kane Quennemmon/Dept of Health Jenni Sullivan/Contractor Bob Buzzas/CoC Bob Buzzas/ CoC	Jan 2005 A) November, 2004 B) July, 2005 Begin Jan, '05 Report, Dec, '05

Goal: End Chronic Homelessness (“What” are you trying to accomplish)	Action Steps (“How” are you to go about accomplishing it)	Responsible Person/Organization (“Who” is responsible for accomplishing it)	Target Dates (mo/yr will be accomplished)
Goal 3: Prevent Homelessness from Institutional Discharges	<p>#1: Request that the new Governor’s Montana Council on Homelessness assess discharge practices and recommend steps to ensure no state discharges enter homelessness.</p> <p>#2. Implement the pilot “Local Discharge Notification Initiative” between the MT State Prison and the Missoula Poverello Center and model to other communities.</p> <p>#3. In collaboration with MT State Hospital and two Community Mental Health Centers, implement two pilot “Coordinated Community Release Initiatives” to secure housing and document need.</p> <p>#5. Document and model the Helena Bridges program providing transition of foster care youth into self-sufficient housing.</p> <p>#7. Document and model Missoula’s Mental Health Court docket which substitutes case management for incarceration for certain defendants with mental illness.</p>	<p>Joe Bischof / CoC</p> <p>Joe Bischof / Poverello Center, Missoula</p> <p>Shelly Ecord / Golden Triangle Mental Health Center</p> <p>Maria Nyberg / God’s Love</p> <p>Kristina Swanson / Missoula Planning & Grants Office</p>	<p>Fall meeting, 2004</p> <p>Start June, ‘04 Report May, ‘05 Model Aug, ‘05</p> <p>Start Jan, 05 Recommendations: Oct, ‘05</p> <p>March, 2005</p> <p>March, 2005</p>
Goal 4: Improve and Increase Outreach efforts.	<p>#1. Propose that the MCH request all state human resource programs to prioritize need of C.H. in outreach activities.</p> <p>#2. Document and model Missoula and Billings “One-stop” and “Co-location” services for implementation in other communities.</p>	<p>Eric Sales / Msla PATH Case Worker, MCH member</p> <p>Kristina Swanson / Missoula Planning & Grants Office & Judy Schneider / Billings HRDC</p>	<p>Fall Planning Meeting</p> <p>March, 2004</p>

Goal: End Chronic Homelessness	Action Steps	Responsible Person/Organization ("Who" is responsible for accomplishing it)	Target Dates (mo/yr will be accomplished)
Goal 5: Increase the rate of enrollment into Mainstream Programs. <ul style="list-style-type: none"> • Increase SSI enrollment by 25% • Increase Food Stamps enrollment by 25% • Increase VA Benefits enrollment by 25% 	<p># 1.Continue to implement Partnership Training with Regional SSA to increase approval rate of SSI/Medicaid applications</p> <p># 2.Work w/ Council and Dept of Health to create "Mainstream Enrollment" training by the state's Professional Development Center. Prioritize training for local public assistance offices and enrollment of Food Stamps, referral for SSI and Veterans benefits, particularly for CH.</p> <p>#3. Increase number of Stand Downs by 2 for a total of 4 communities each year to include with immediate enrollment services.</p>	<p>Marcia Armstrong / MT PATH Coordinator</p> <p>Bob Buzzas / CoC</p> <p>Joe Foster / MT Dept of Veterans Affairs</p>	<p>Training: Oct. '05 Assessment: Dec. '05 Recommendations: 1/06</p> <p>Training: Apr '05 Assess: Mar '06</p> <p>June, '05</p>
Goal 6: Increase Permanent Housing <i>Add 25 new permanent housing units with supportive services.</i>	<p>#1. Explore securing 20-30 permanent housing vouchers thru innovative "State Bridge Pool" available statewide for rural use or hard to serve clients.</p> <p>#2. Request set-aside or priority funding for CH housing through the MT Board of Housing.</p> <p>#3. Work with Fannie Mae to access \$100m fund for supportive housing.</p> <p>#4. Follow-up 2003 Housing First Workshop with supplemental training. (e.g. w/Ann Denton)</p>	<p>Michael O'Neil / MT Home Choice Coalition</p> <p>Michael O'Neil / Home Choice Coalition</p> <p>Maureen Rude / Montana Fannie Mae Director</p> <p>Marcia Armstrong / MT Path Coordinator</p>	<p>March, 2005</p> <p>February '04</p> <p>Outreach - Feb '05 Project – Nov '05</p> <p>March '05</p>

Goal: End Chronic Homelessness (“What” are you trying to accomplish)	Action Steps (“How” are you to go about accomplishing it)	Responsible Person/Organization (“Who” is responsible for accomplishing it)	Target Dates (mo/yr will be accomplished)
Goal 7: Increase Local Government Involvement and Commitment <i>“Pass resolutions in 4 cities to eradicate CH by 2010?”</i>	#1. Implement campaign to educate Mayors and solicit passage of resolutions to eradicate CH by 2012, direct city programs to participate with local continuums.	Bob Buzzas / CoC	November, 2004
	#2. Request time at MT League of Cities and Towns conference to make presentation.	Peter Hance / Missoula Public Housing Authority	October 6, 7, 8, '04
	#3. Prepare city-specific homeless presentations and meet with council members and chief executives to explain need and opportunities.	Bob Buzzas / CoC	September, '04

(4) Coordination.

The MT CoC Coalition is committed to having only one strategy for the State of Montana and is coordinating with and even deferring to the newly created Montana Council on Homeless to develop a single strategy and plan. It is necessary, therefore, to point out that the strategies and goals provided here for both CH and Other Homelessness are only interim actions we felt would not create any conflict or confusion with the Council’s new mission.

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b. Other Homeless Goals Chart

(1). Provide a summary of accomplishments over the past year in addressing your community's other homeless goals.

Leadership and Coordination of Services: Just as our biggest accomplishment in addressing CH was the Governor's order establishing the MT Council on Homelessness (May, 2004), so it is also for addressing all forms of homelessness. When the CoC and Policy Academy first drafted the request to the Governor to form an interagency council on homelessness, we knew it would not be supported if narrowly focused on CH only, nor would it be a judicious use of the council's potential for coordinating and marshalling resources across state government. So, while we are urging the Council to prioritize the eradication of CH by 2010, the council is charged with addressing all homelessness.

While it took some time to get the Council formally established, a consultant/staff person was hired in the interim who produced a comprehensive report on the state's homelessness which has helped to convey the growing need and desperation throughout state government.

The council is a direct result of a request from the Policy Academy (which was formed as a CoC initiative) which itself has produced significant momentum and leadership. Members of the Policy Academy included a legislator, a budget officer in the Governor's office, the director of the state agency overseeing social services, the chief of mental services for the state, a former homeless person, and many others. In short, the Policy Academy was critical in turning the tide in Montana's effort to address homelessness.

Coordinated Case Management and Accessing Mainstream Resources: Three statewide workshops were conducted by the CoC during the bi-annual Hunger and Homeless Conference. One workshop detailed of state of homelessness in Montana using the annual statewide survey of homelessness and other data from providers. The second workshop focused on increasing the coordination amongst managers from different provider organizations and their efforts to enroll homeless in mainstream resources. This workshop included a 'pre-release' introduction of the "First Step" program complete with an on-line demonstration of the program's access to eligibility information, contact directories and frequently asked questions.

The third workshop addressed the difficult issues confronted by "frontline" managers in dealing with the homeless. This workshop included guidance on how to handle difficult (belligerent or uncooperative) residents of shelters and TH residents, increasing sensitivity to the difficulties persons with mental illness often have in communicating and raising the awareness of cultural and social issues.

Increase Permanent Housing Stock. A significant "paradigm shift" was reached in the CoC this past year. After reading and hearing much about the "housing first" approach, the Continuum raised enough money to bring Tanya Tull of "Beyond Housing" (CA) to Montana for a statewide conference. At subsequent CoC meetings, participants have affirmed that while there is still a critical niche for transitional housing, particularly among specific target populations, our priority in the future needs to be on providing immediate access to permanent housing. Our growing emphasis and focus on this is reflected in our goals and actions for the coming year (below).

While the CoC failed to realize 31 new permanent housing vouchers as planned, 139 new units of affordable housing were created and another 104 existing units were preserved in 10 communities though \$18m in low-income housing grants from the Montana Home Investment Partnerships Program (HOME). These grants leveraged over \$18m in additional investment.

Building effective local continuums. The Coalition brought TA consultant John Epler (Seattle) to the state in February to work with two communities in building stronger local continuums as well as to meet with

the statewide continuum to discuss how we can continue to improve our efforts. The two local workshops in Bozeman and Billings were significant in generating more local interest and participation in each continuum. Newspapers in both cities ran major articles either just prior to his visit (due to pre-visit CoC outreach and materials provided to the press) or reporting on the meeting itself.

HMIS. The decision by the MT Dept. of Health & Human Services to sponsor the HMIS system is probably one of our most important successes. Had DPHHS decided—in the face of considerable obstacles set up by state policies that discourage state management of data systems—not to house and manage HMIS, we would have been left with no other identifiable options. We are now working to finalize the adaptation and are currently recruiting participants into the system.

New resources. After a couple of years promoting VA resources, particularly the per diem grants, 4 CoC participants received 5 per diem and service center grants that will provide 63 new transitional housing beds and fund contacts with 8700 homeless veterans a year.

(2) In addition to the goals for ending chronic homelessness, please describe any other goals and specific action steps that your community has developed to address homelessness. Specify the entity that has lead responsibility for carrying out each step and specific target date for completion. Please use the following format.

Goal: Other Homelessness	Action Steps	Responsible Person/ Organization	Target Dates
Goal 1: Fully Activate & Implement the MT Council on Homeless	<ol style="list-style-type: none"> 1. Share CoC Plan with Council 2. CoC / Council members participate in planning committees, make presentations and recommendations 	Bob Buzzas, CoC Joe Bischof, Poverello Lori Hartford, Healthcare for the Homeless Bob Buzzas, CoC Terry Teichrow, Office of Public Instruction	September, '04 Fall meeting, '04 And throughout the planning process.
Goal 2: Increase availability of Permanent Housing	<ol style="list-style-type: none"> 1. Continue Housing First training (e.g. Ann Denton training) 2. Develop Fannie Mae-Enterprise Corp project 3. Seek scoring emphasis for PH by MT Board of Housing 4. Seek alternative PH funding, including Board of Housing Bond Fund, State Sect 8 Set Aside, Dept of Health housing funding, and other. 	Marcia Armstrong, MT DPHHS (health dept), PATH Coordinator Maureen Rude, Fannie Mae Michael O'Neil, MT Home Choice Coalition Michael O'Neil, MT Home Choice Coalition	March, '05 Outreach- Feb '05 Project- Nov '05 Feb '05 March 05

Goal: Other Homelessness	Action Steps	Responsible Person/ Organization	Target Dates
Goal 3: Increase effectiveness of Case Management and enrollment of clients into Mainstream Resources	<ol style="list-style-type: none"> 1. Local Goal Setting Sessions in 3 communities. Case Mgrs meet with Mainstream Program Managers to identify actions & measurable goals for increasing enrollments. 2. Request MT Professional Development Center to develop curriculum and conduct training to increase case mgr. effectiveness. 3. Continue to distribute "First Step" tool. 	Bob Buzzas, CoC Joe Bischof, Poverello Center Bob Buzzas, CoC	Dec '04 Nov '04 Jan '05
Goal 4: Increase level of commitment by local government	<ol style="list-style-type: none"> 1. Prepare community-specific information packets and Model Resolution and distribute to mayors and managers 2. Make presentation to MT League of Cities & Towns Conference 3. Arrange meetings with mayors and managers in 7 communities to promote local passage of Resolution and increased municipal commitment to homeless efforts. 	Kristina Swanson, Missoula Office of Planning & Grants Peter Hance, Missoula Housing Authority Bob Buzzas, CoC	Feb '05 Oct '04 March '05
Goals 5: HMIS	<ol style="list-style-type: none"> 1. Continue to coordinate end users in the beta testing of HMIS system 2. Continue to recruit participants 3. Begin designing assessment tools using HMIS and incorporating into the CoC and Council planning. 	Kane Quennemon, DPHHS Bob Buzzas, CoC To be announced	Dec '05 Phase 1 Oct '04 Phase 2 March '05 Phase 3 June '05 March '05

Discharge Planning Policy Narrative

The Montana Council on Homeless. The Coalition considers the creation of the Montana Council on Homeless (May, 2004) to be a significant achievement that will have major influence on future discharge planning. Among the Governor's appointees are key state policy and administrative leaders, including those from the institutions in question. The first planning session is scheduled for September 15 and work groups are being formed including one on Discharge Planning which will very like include members of the Coalition.

Discharge Policies Inventoried. While waiting for the executive order to be issued, a Council staffer, at the Coalition's request, inventoried the discharge policies of the Department of Corrections, Pine Hill Youth Correctional Facility, Foster Care, State Mental Hospital, Montana Mental Health Nursing Care Center, and the Montana Chemical Dependency Center. The inventory and staff memo has provided the basis for some initial assessment and led to some interim action steps by the Coalition.

Interviews and discussions with both discharging institutions and local service providers, however, reflect varying interpretations of the extent to which institutional discharges are a problem. One of the critical challenges in the very near future (next few months) will be to assemble the available data (and identify the gaps in information) to determine the extent to which homeless discharge does occur, under what conditions and what can be done to help.

To begin this process, the Coalition has implemented three initiatives:

- A pilot project between the Poverello Center (Missoula) and the State Prison will provide one of the first community organization-prison working relationships designed to increase collaboration and the opportunity to identify additional steps that can be taken.
- A Memorandum of Understanding between the Coalition and the State Hospital commits both parties to working collaboratively to prevent homeless discharges and to bring more community resources, particularly housing, to bear.
- A demonstration between the State Mental Hospital and 2 community mental health centers (Helena and one other) is being developed for a January launch that will increase the level of attention given to discharges in the communities to better understand what occurs and to ensure that suitable housing, transitional supportive services and case management and more are brought to bear on a dischargee.

Current State Hospital Discharge Policy states that 1) each patient will have an initial discharge plan no later than 10 days following admission and the plan development will include family as well as related community agencies, 2) each plan will identify a community mental health contact person and a state hospital discharge coordinator. In addition, each patient will have an Aftercare Plan also developed with the participation of a community mental health care person.

Form HUD 40076 CoC-D

Exhibit 1: Continuum of Care – Unexecuted Grants Chart

There are no unexecuted grants.

Form HUD 40076 CoC-E

Exhibit 1: Continuum of Care Service Activity Chart

Using the format below, describe the fundamental service components of your Continuum of Care system currently in place, and any additional services being planned. Describe how homeless persons access or receive assistance under each component other than *Outreach*. (Although you may require multiple pages to respond to this item, your response will count as only one page towards the 30-page limitation.)

Fundamental Components in CoC System -- Service Activity Chart

Component: Prevention

Services in place:

Basic Needs

Emergency financial assistance is available through county welfare offices in varying degrees throughout the state's 56 counties for food, medical care and transportation.

Food banks are active participants in the local continuums and provide free groceries that often times free up cash resources for rent, transportation and other essential needs. The providers are community food banks.

Food stamps are also accessed to do the same. The providers are the 12 local Public Assistance Offices and their outlying satellite offices.

Affordable Housing programs including HOPWA, Shelter Plus Care, Section 8, CDBG, HOME, Montana Preservation Project and federal and state tax credits are used by the ten HRDCs (which operate over 15 housing projects in the state), Public Housing Authorities, and several other nonprofit housing organizations (e.g. WORD in Missoula, Neighborhood Housing Services in Great Falls) to continue to build the state's affordable housing stock as well as to preserve existing affordable units. Montana now also has a Housing Trust Fund.

Emergency assistance is offered by the Salvation Army, St. Vincent's DePauls and other faith-based or churches throughout the state. The diversity and levels of services are too numerous to document here, but include everything from a cot in the basement of the church to family counseling and child care provided by the Salvation Army.

Eviction Prevention

Credit Counseling. Credit counseling to assist clients in negotiating delinquency rents or mortgage payments and reaching agreements with landlords to avoid evictions is available through HUD approved credit counseling programs throughout the state. The primary providers of this service are the Human Resource Development Councils, WoRD, Neighborhood Housing Services and the Public Housing Authorities.

Emergency Rent Assistance. In cases of impending eviction, the ten HRDCs use Emergency Services Grant (ESG) for emergency rent

Emergency Utility Assistance. The state's ten HRDCs also administer Montana Energy Share (a consumer and utility company funded heating assistance program), Low Income Energy Assistance (LIEAP) and Weatherization for emergency utility assistance throughout the state.

Domestic Abuse Prevention

Most communities are now providing parenting and conflict management classes, domestic intervention and partner counseling services as part of affordable housing programs that are designed to build skills in adults that strengthen marriages and partnerships. The primary providers of this service are churches or collaborations between churches and HRDCs and domestic abuse organizations that vary from community to community.

Job Training and Employment Security

HRDCs, Workforce Investment Act Workforce Centers and other job training providers are coordinating under WIA One-Stop to provide training, education and employment programs that target individuals most at-risk of homelessness,

Services planned:

Uniform State Discharge Policy

The Montana Department of Health has already initiated a study of all discharge practices of state correctional facilities, hospitals, foster care programs and other facilities as the first step in creating a new policy that will prevent a discharged person from becoming homeless. As part of the Policy Academy Action Plan, we anticipate having a new policy recommended to the Governor for executive action by late winter or early spring.

Individual Development Accounts and Earned Income Tax Credits

Montana continues to be one of only a few states not taking advantage of federal assistance to implement Individual Development Accounts that can build valuable assets for at-risk individuals and families while participating in other job training, affordable housing and other related programs used to prevent homelessness and support transitional housing programs. Montana also has a fairly low rate of low-income tax payers utilizing the Earned Income Tax Credit that can save some families \$2,000 or so. The state's HRDCs are beginning to initiate activities in both of these areas and the Coalition has offered to help.

Greater integration of intensive case management.

This is gaining prominence not only among the local and state continuum of care network, but has also been featured or adopted as a goal within state's mental health services and in the state's job training offices. This effort will be bolstered in the coming year by the Policy Academy's commitment to develop curriculum "cultural sensitivity" (issues unique to various homeless subpopulations) and "accessing mainstream resources" that can be incorporated into annual training sessions conducted by mental health and job training offices as well as through the state's Profession Development Center (which provides training to all kinds of state employees).

How homeless persons access/receive assistance:

Prevention services are accessed through a myriad of access points and programs, but usually starts with an individual or family "walking-in" or otherwise enrolling for an assistance program and being referred by that program or case manager to other services. For example, a Head Start family might be referred to a homeownership or credit counseling program or a family in distress will be referred by a church social worker/volunteer to an HRDC case manager who will work to enroll the family in everything from job training, food stamps, child care, rental assistance, credit counseling and even home ownership programs. Following are just a few examples of how access is streamlined, coordinated or otherwise promoted:

- Each community has in place Memoranda of Understanding (MOUs) that include providers in the mental health and substance abuse treatment fields (as well as other providers) that are key to identifying high-risk individuals for homelessness and coordinating all of the available resources in a community to provide the housing, job training, mental health treatment and life skills necessary to prevent homelessness. The MOU highlight the commitment to coordinate with other providers in their area and to participate in meetings meant to keep everyone aware of new or changing programs, key individuals etc..
- The Montana PATH and CHIPs programs provide mental health outreach workers that go into the streets, schools, HRDCs, Head Start centers, mental health centers, and other institutions to identify

homeless as well as individuals and families at risk of becoming homeless and to refer them for appropriate services.

- In general, Intensive Case Management is considered to be the critical service to preventing homelessness in the first place and preventing recidivism. As such, HRDCs, Regional Mental Health Centers, County Drug and Alcohol Services, County Public Assistance Offices and other agencies too numerous to mention, all provide case management of clients most at-risk.

Component: Outreach

The outreach experience in a state like Montana would question the validity and value of distinguishing outreach efforts between persons on the street and in shelters. This is primarily due to the fact that even the most difficult to reach “street” subpopulation—the chronically homeless—are “users” of programs and shelters at various times and, therefore, are often times most effectively “outreached” when accessing those services. The following, however, acknowledges that there are specific efforts made to contact those on the streets.

(1) Outreach activities to persons living on the streets:

Self-referral outreach. These outreach activities are meant to make services known to the homeless and to encourage them to directly access services on their own either immediately or at a later time. In most cases, this simply entails a homeless person answering yes to an outreach worker’s question of, “do you want help?” To reach that point, however, we employ several approaches, including:

- 1) Posters and brochures distributed and posted at well-known congregation sites;
- 2) Mobile services that take food, clothing and some basic first aid to congregation sites. In at least one city, the mobile service includes a case manager who can assess and refer clients immediately for other assistance. The other mobile services can provide information and assist in referrals.
- 3) Education and information by homeless advocates (paid and volunteer) who are themselves homeless and working to help other homeless persons.

Our data indicates, however, that self-referrals account for only a very small fraction of all “street” clients assisted and are most effective in more urban settings. “Persons living on the streets,” in remote rural areas of Montana are more likely to mean living in cars, abandoned homes, transients riding the rails, etc. The greatest opportunities for outreach in these cases, according to our survey data and experience, is through food banks, law enforcement and churches. To best utilize these outreach points, our local continuum of care networks make special efforts to recruit their active participation of these entities. They also regularly refresh their local referral lists and make them aware of the Statewide Homeless Resource Directory assembled by the Coalition and hosted on the Montana Department of Public Health and Human Services website (as well as the HUD state office’s website).

Here are examples of other specific activities targeting the “street” homeless:

- Veterans Standdowns are now conducted in four communities each year and have proven highly effective at drawing all homeless—not just veterans. The first Standdown was started in 1999 by Coalition participant and former homeless veteran, Rick Salyer. The Standdown uses an informal but highly effective communication network to bring homeless vets in from places as remote as wilderness area camps. Standdowns are usually held on weekends and offer a festival setting including music and entertainment as a way of providing a safe gathering place for homeless vets and making available free

medical and dental checkups, limited medical treatment, food, clothing, backpacks, sleeping bags and referrals for further other services. These are available in differing degrees at the different Standdowns.

- PATH Outreach workers provide outreach case managers to the Seriously Mentally Ill and Substance Abusers in 7 hub communities. Their primary responsibility is to identify homeless individuals with serious mental illness. They visit homeless congregation sites (street canvassing), shelters, mental health clinics, food banks as well as routine visits with other service providers (e.g. HRDCs, food banks, churches etc.) to review cases and follow-up on referrals.

(2) Outreach activities to other homeless persons

Of all the questions in the CoC NOFA's over the years, this is one that causes us particular heartburn because of the complex network called upon to outreach the homeless. To list all of the participants and give them their due is simply too long and, in fact, would require community-by-community treatments. In an effort to be concise yet informative, we provide the following:

Montana's outreach *modus operandi* is predicated upon the lesson learned from formerly homeless people, that is--there are certain points and times along a homeless person's experience where they are "capable" or "willing" to accept help and change. Therefore, we use a multi-layered and redundant network of outreach in order to increase the likelihood that the opportunity will be there for someone when it is most needed.

Here are the principal outreach points of contact with the homeless (both on the street and otherwise) in Montana. It is not all inclusive:

- | | |
|--|---|
| • Emergency shelters (23) | • St. Vincent DePaul |
| • Food Banks (40) | • Law enforcement officers (191 city, co and tribal agencies) |
| • Domestic abuse shelters (36) | • Veteran clinics (9) and Hospital (1) |
| • Transitional & S+C Housing Programs (31) | • County health and welfare offices |
| • PATH Outreach Offices (7) | • Park & campground attendants |
| • Community Mental Health Centers (4) | • Railroad employees |
| • Community Healthcare for the Homeless Clinics (4) | • Motel/hotel managers |
| • HRDC offices (10 agencies w/ numerous satellite offices) | • Thrift Shops |
| • Salvation Army | • Churches |
| | • Veteran Centers |

In order for these entities to capture that opportunity to change a homeless person's life, it is essential that they be able to quickly and effectively refer them to the most appropriate person (if not themselves) for intake and assessment and services. Thus, local continuums of care work to maintain well-coordinated and informed local networks where everyone has up-to-date referral contact information and everyone understands the available resources in the system.

There are also activities designed to increase these opportunities, including the Standdowns and PATH outreach efforts described above. In addition, here are a few samples of other outreach activities undertaken by these entities:

Domestic Violence. Montana's 36 domestic abuse shelters and safe houses engage in extensive outreach, including public speaking at civic organizations, posting flyers in the public restrooms for women (particularly bars), Public Service Announcements, distribution of brochures, coordination with local law enforcement who are required to give domestic abuse victims (and suspected victims) the phone number of local shelters along with a notice of victims rights. Almost all of the 32 shelter and safe houses also

participate in local networking groups, e.g. Healthy Families, that meet on a monthly or bimonthly bases to ensure coordinated outreach and referral.

Youth. Targeted outreach to youth is being accomplished through the Foster Care Program, homeless coordinators employed by three largest school districts and by youth home facilities in Billings, Bozeman, Helena and Missoula. Their outreach activities include the identification and referral of youth cycling out of foster care because of age, the use of street contacts or advocates (street canvassing), referral arrangements with local law enforcement and court systems, and shelters. The ten HRDCs, which serve as the primary centralized referral and coordinating agency for social services in most communities, also provide a major outreach component through contact with families and individuals in Head Start, Youth Employment and Training programs (principally Workforce Investment Act), emergency hotel/motel vouchers, food bank programs and more.

Outreach planned:

- Increasing activities and coordination with the AIDS Councils in Missoula and Billings (HOPWA recipients) and the AIDS Council of Southeastern Montana.
- Ongoing maintenance and update of the **Statewide Resource Directory of Homeless Services** will continue. This directory is available on line through the state HUD homepage and the MT Department of Health and Human Services home page. The directory is promoted through the annual conferences for domestic abuse shelters, the bi-annual Hunger and Homeless Conference and the NAHRO conference for housing programs.
- **Implementation of the Montana Council on Homeless.** The council, created by the Governor in May of this year, will assume the role of the principal planning body, including the increased coordination of services and improved case management of homeless through any of its relevant state agencies and programs as well as through recipients of state contracts or grant.

Component: Supportive Services

Because many of the services used by homeless clients are services also available to the general public, we have attempted to limit the following response on those services that are most important or frequently used in serving the homeless.

Case management, life skills, education, employment assistance, child care and transportation are primarily provided through one of the ten HRDC (community action agencies) district offices or satellites located throughout the state. Just a few of the programs they administer and which provide these services include:

- Workforce Investment Act (youth and adult programs)
- Runaway and Homeless Youth Grants
- Community Services Block Grants
- WoRC program
- Section 8 and other Housing programs (that include credit counseling, life skills training and more)
- Family Self-Sufficiency Program
- Head Start
- Child Care programs
- Microbusiness Loan programs
- Rural Business Enterprise Grants

Each HRDC provides intensive case management that works with homeless clients to prepare plans for transitioning to permanency and ensures that clients access not only HRDC programs, but also other resources such as food stamps, mental health and substance abuse care, TANF, SSI, Medicaid, CHIPS and state health care insurance programs, and so much more.

However many of these same services are also provided either directly by each of the 31 transitional living or permanent housing projects and 36 domestic abuse shelters in the state or they collaborate with other agencies to provide them on a referral basis.

Case management is also being provided for youth through the Montana Office of Public Instruction and homeless coordinator offices located in three schools districts. These offices use federal Education for Homeless Children and Youth funds to meet educational and other needs.

Starting this year, the ten HRDCs will administer a Runaway and Homeless Youth grant which will primarily provide a broad range of supportive services and housing assistance to approximately 30 homeless youth a year. Tumbleweed of Billings is already providing similar housing, case management and supportive services for youth.

In addition to HRDC Workforce Investment Act programs, the Montana Job Service and the Job Training Partnership operate One-Stop Centers throughout the state that can serve the homeless in seeking job training skills. These services are best utilized with the help of a case manager from one of the homeless provider programs.

Transportation services are provided through a variety of means. Emergency Shelter Grants are used by some HRDCs to purchase bus tickets or assist with emergency gas assistance. The Veterans Administration operate a bus shuttle from points around the state to both the Hospital in Helena and the Nursing home/clinic in Miles City. Several churches and faith-based programs (e.g. Salvation Army) can also assist with car repairs, fuel and other transportation needs on a limited basis.

Mental health, alcohol and drug abuse treatment are principally provided through 4 Community Mental Health Centers that cover the state. Twelve additional licensed mental health centers also provide these services mostly to children and youth, including homeless. In addition, four Healthcare for the Homeless Clinics in Billings, Helena, Missoula and Butte provide or refer homeless patients for mental health and substance abuse treatment, but mostly provide primary health and dental care (the latter mostly through volunteers services).

Mental health, alcohol and drug abuse treatment primary health and dental care are provided by the four Healthcare for the Homeless clinics in Billings, Helena, Missoula and Butte. Case managers are also employed at each clinic except in Helena. Various local hospitals also report occasional charitable service to indigents and homeless.

Services planned:

No substantially new or different supportive services are planned at this time. The greatest need for increased supportive services is clearly in the area of mental health and substance abuse treatment and the Montana Policy Academy highlighted this area of need to the new MT Council on Homeless as a priority item.

How homeless persons access/receive assistance:

Access to supportive services can happen through “direct referral” (or a walk-in) by homeless persons themselves but it is far more likely to happen through case management referral. Nonetheless, we promote the former through such activities as distributing posters and pamphlets at “congregating” sites,

mobile outreach vans and Stand Downs as previously described under outreach.

For the majority of homeless persons then, they will receive access and assistance through a myriad of case management referral possibilities. There is no one referral process that can be explained as each depends upon the location, the homeless person's or family's needs, the availability of particular services and other conditions. The first—and sometimes the most important—contact with the homeless person usually occurs through an emergency shelter, food bank, domestic abuse shelter, PATH Outreach Office, Salvation Army, church, law enforcement officer, hotel/motel clerk, thrift store volunteers or hospital admissions staff. While some of these entities provide case management and are capable of conducting full intake and assessments, others do not. For example, the deputy sheriff who finds a stranded homeless family in a camping spot, the emergency room admissions nurse in the hospital and the volunteer at the local food bank need to be educated about their local network and have the information to make the best referral. The “no wrong door” entry system works only when these “first points of contact” understand the system and know who to call next.

Once they have entered the system (through intake and assessment) and have a case manager—whether it is through an HRDC, shelter or transitional program, mental health center or other—the opportunity to enroll in supportive services and mainstream resources is dramatically increased. With temporary but stable housing or shelter, the case manager can begin networking to refer the homeless person for mental healthy or substance abuse treatment (although there is often times a waiting list), enroll them in job training programs, begin teaching life skills, and ensure that are receiving other benefits such as SSI, food stamps, Medicaid etc.

Form HUD 40076 CoC-F

Exhibit 1: Continuum of Care Housing Activity Chart

Fundamental Components in CoC System- Housing Inventory Chart											
EMERGENCY SHELTER											
Provider Name	Facility Name	HMIS	Geo Code	Target Population 2004 Year-Round Units/Bed					2004 All Beds		
				A	B	Family Units	Family Beds	Individual Beds	Year Round	Seasonal	Overflow / Voucher
Current Inventory											
Dist 1,2,3, New Life Mission, Inc.	New Life Mission	N	309021	M				14	14		
Dist. 4, HRDC	The Haven	P-10/04	30941	M		1	12	6	18		
Dist 5, Great Falls Rescue Mission	G.F. Rescue Mission	P-3/05	300342	M			24	26	50		
Dist 5, YWCA	Mercy Home	P-3/05	309013	YF			25		25		
Dist 5,Golden Triangle Mental Health	Golden Triangle Mental Health Center	P-3/05	309013	SMF				2	2		
Dist 5, For the Children	AGAPE Center	N	309013	YM				9	9		
District 6, Human Resource Development Council	Central MT Ministerial Association	P-7/05	309027	SMF				1	1		
Dist 7, Mt. Rescue Mission, Inc.	Mt. Rescue Mission	P-7/05	300066	SMF				54	54		
Dist 7, Mt. Rescue Mission, Inc.	Women & Family Shelter	P-7/05	309111	FC		35	73	17	90		
Dist 7, YWCA	Gateway House	P-7/05	300066	DV			4	81	85		
Dist 7, Tumbleweed	Tumbleweed Runaway & Homeless Youth	P-3/05	309111	M				12	12		
Dist 7, Crow Tribe	Big Horn Co. Emergency Family Shelter	P-7/05	309003	SMF			2	10	12		
Dist 8, God's Love Inc.	God's Love Emergency Shelter	P-10/04	309049	SMF			9	35	44		
Dist. 8, Montana Youth Homes	Montana Youth Group Home	N	309049	YM				11	11		
Dist. 8, Rocky Mountain Development Council	Friendship Center	P-7/05	309049	FC	DV		15		15		

Dist 10, Samaritan House Inc.	Samaritan House	P-10/04	309029	M		5	15	28	43		
Dist. 10, Sanders County Coalition for Families	Thompson Falls Women's Shelter	P-10/04	309089	M	DV	3	2	6	8		
Dist. 10, Violence Free Crisis	The Abby Shelter	P-3/05	309029	FC	DV		12	6	22		
Dist. 10, Lincoln County Help Line	Sweet Haven	P-7/05	309053	FC	DV		15	12	27		
Dist., 10, Safe Harbor, Inc	Safe Harbor	P-7/05	309047	SF	DV		13	4	17		
Dist. 11, Poverello Inc.	Poverello Center	P-10/04	300540	SMF			0	67	67		25
Dist 11, YWCA	YWCA Domestic Violence Shelter	P-10/04	309063	SF	DV	7	24	1	25		
Dist 11, S.A.F.E	S.A.F.E. Shelter	P-10/04	309081	M	DV	4	7	2	9		
Dist 11, Salvation Army	Gateway Center	P-7/05	309063	FC		7	14		14		2
Dist 12, Butte Christian Community Center	Safe Space	P-7/05	309093	M	DV	2	2	14	16		
Dist 12, Butte Rescue Mission	Butte Rescue Mission	P-7/05	309093	M		3	3	32	35		
				SUBTOTAL		67	275	450	725	0	27
Under Development											
none	None										
				SUBTOTAL		0	0	0	0	0	0
TRANSITIONAL HOUSING											
Provider Name	Facility Name	HMIS	Geo Code	Target Population 2004 Year-Round Units/Bed					2004 All Beds		
				A	B	Family Units	Family Beds	Individual Beds	Total Beds	Seasonal	Overflow/ Voucher
Current Inventory											
Dist. 1,2,3, Mathew's House Inc.,	Matthews House	N	309021	M		1	8		8		
Dist. 4, HRDC	McLaughlin Transitional Housing Project	P-10/04	309041	FC		4	20		20		
Dist 5, Gateway Recovery Inc.	Gateway Recovery Home	P-10/04	309013	SF			15		15		

Dist 5, Great Falls Rescue Mission	GF Rescue Mission	P-3/05	300342	M				16	16		
Dist 6, Emanuel Baptist Church	Gilead House	N	309027	M				1	1		
Dist 7, MT Rescue Mission	MT Rescue Mission	P-7/05	309111	M				20	20		
Dist 7, MT Rescue Mission	Women & Family Shelter	P-7/05	309111	M			12	8	20		
Dist 8, God's Love Inc.	God's Love Family Transitional Center	P-10/04	309049	M			9	2	11		
Dist 8, Rocky Mtn Development Council	Friendship Center	P-3/05	309049	FC			7		7		
Dist 8, Montana Youth Homes	Montana Youth Homes	N	309049	YMF				16	16		
Dist 8, Boyd Andrews	Boyd Andrews House	N	309049	SMF				7	7		
Dist 8, Florence Crittenton	Montana Florence Crittenton Home	P-3/05	309049	YF			8	8	16		
Dist 8, Golden Triangle Community Mental Health Center	Hannaford House	P-7/05	309049	SMF				8	8		
Dist 9 Dist IX HRDC	The Carriage House	P-3/05	309031	FC			4		4		
Dist 9, AWARE	AWARE	P-7/05	309031	SMF				8	8		
Dist 9, The Network	The Network	P-7/05	309031	M	DV		12		12		
Dist 10, NW Montana Human Resources	Courtyard Apartments	P-10/04	309029	FC		32	25	8	33		
Dist 10, Samaritan House	Samaritan House Transitional Housing	P-10/04	309029	FC		18		18	18		
Dist 10, Sanders Co. Coalition for Families	Lavonne Kennedy THP	P-10/04	309089	FC	DV	5	5	1	6		
Dist 11, Poverello Inc.	Joseph Residence	P-10/04	309063	FC		9	27		27		
Dist 11, YWCA	YWCA Transitional Housing	P-10/04	309063	FC		11	22		22		

Dist 11, Mountain Home Inc.	Mountain Home	P-10/04	309063	M		4	8		8		
Dist 11, Turning Point	Share House	P-10/04	309063	SMF				16	16		
Dist 11, Turning Point	Carole Graham Home	P-10/04	309063	FC		6	12		12		
Dist 11, MT Rescue Mission	Missoula 3:16	P-7/05	309063	SM				6	6		
Dist 11, S.A.F.E.	SAFE Trans. Hsing	P-10/04	309081	M	DV	9	19	1	20		
Dist 12, Human Resource Council Dist XII	Homeward Bound	P-10/04	30903	M		4	12	24	28	0	0
				SUBTOTAL		103	230	177	407		
Under Development											
Samaritan House Inc, Dist 10	Samaritan House Transitional Housing	P-3/05		SM	Vet			18	18	0	0
Missoula Housing Authority, Dist 11	Veterans Service Center	P-3/05		SM	Vet			17	18	0	0
Poverello Center, Dist 11	Poverello Center	P/3/05		SM	Vet			38	38	0	0
				SUBTOTAL				73	73	0	0
PERMANENT SUPPORTIVE HOUSING											
Provider Name	Facility Name	HMIS	Geo Codes	Target Population 2004 Year-Round Units/Bed					2004 All Beds		
				A	B	Family Units	Family Beds	Individual Beds	Total Beds	Seasonal	Overflow/ Voucher
Current Inventory											
Dist 5, Golden Triangle Mental Health	Golden Triangle Mental Health Center	P-10/04	309013	SMF				24	24		
Dist 7, Billings Public Housing Authority	PHA S+C Program	P-10/04	309111	SMF				15	15		
Dist 8, Helena Public Housing Authority	Helena S+C Program	P-10/04	309049	SMF				20	20		
Dist 11, Missoula Public Housing Authority	Missoula Public Housing Authority S+C Program	P-10/04	309063	SMF		10	20	61	81		

Dist 12, Public Housing Authority of Butte	S+C Permanent Supportive Housing	P-10/04	309093	M		3	4	8	12		
SUBTOTAL						13	24	128	152	0	0
Underdevelopment											
Dist 11, Missoula Public Housing Authority	Public Housing Authority, SRO	P-7/05	309063	O		0	0	15	15	0	0
SUBTOTAL						0	0	15	15	0	0

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Exhibit 1: Continuum of Care Housing Gaps Analysis Chart

Continuum of Care: Housing Gaps Analysis Chart

		Current Inventory in 2004	Under Development in 2004	Unmet Need/ Gap
Individuals				
Example	Emergency Shelter	100	40	26
Beds	Emergency Shelter	450	0	87
	Transitional Housing	177	73	314
	Permanent Supportive Housing	128	15	598
	Total	755	88	1,087
Persons in Families With Children				
Beds	Emergency Shelter	275	0	89
	Transitional Housing	230	0	574
	Permanent Supportive Housing	24	0	550
	Total	529	0	1,213

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Exhibit 1: Continuum of Care Homeless Population and Subpopulations Chart

Part 1: Homeless Population		Sheltered		Unsheltered	Total
		Emergency	Transitional		
Example:		75 (A)	125 (A)	105 (N)	305
1. Homeless Individuals		295 (N)	233 (N)	869 (N)	1,397 (N)
2. Homeless Families with Children		48 (N)	42 (N)	417 (N)	507 (N)
2a. Persons in Homeless Families with Children		133 (N)	118 (N)	1,166 (N)	1,417 (N)
Total (lines 1 + 2a)		428 (N)	351 (N)	2,035 (N)	2,814 (N)
Part 2: Homeless Subpopulations		Sheltered		Unsheltered	Total
1. Chronically Homeless		171 (N)		117 (N)	288
2. Severely Mentally Ill		106 (N)		<i>Optional for</i>	
3. Chronic Substance Abuse		127 (N)		<i>Unsheltered</i>	
4. Veterans		67 (N)			
5. Persons with HIV/AIDS	47 [46 HOPWA]	(N)			
6. Victims of Domestic Violence		129 (N)			
7. Youth (Under 18 years of age)		147 (N)			

Exhibit 1: Continuum of Care Information Collection Methods Instructions

Methods used to Collect Information for the Fundamental Components of the CoC System Housing Activity Chart, Housing Gaps Analysis and Homeless Population/Subpopulations Charts

1. Housing Activity Chart.

(a) Describe your community's methods for conducting an annual update.

The inventorying of ES, TH and PSH units and beds is one of three data sources coordinated and conducted simultaneously (the other two are statewide survey of homeless and a subpopulations served survey). Simultaneous homeless counts and inventories have been conducted annually since 1998, but it was decided in August of 2003 to skip a year in order to change all three data collections from April to September (which now, of course, it will be postponed to January). All three data sources were last collected on April 30th 2003. Because data is collected statewide, we are forced to provide some flexibility in scheduling the single point-in-time to meet local needs yet still achieve a statewide count. For example, not all food banks are open on the same day of each week. Therefore, after consulting with survey professionals, we allowed each district to pick one day from April 28, 29 or 30th and developed several ways for preventing and culling duplicate counts.

The Housing Activity data source is a “facility specific questionnaire,” that is distributed (the method) to Survey and Inventory Coordinators (Coalition volunteers) in each district who, in turn, distribute them to the individual facilities. In some districts, this is done in local continuum meetings where the protocols and last year's data are reviewed. In other districts, they are distributed by mail or fax. All surveys are returned to the district coordinator, packaged together and forwarded to the Coalition coordinator for final data compilation.

After much deliberation, however, we decided an “*interim update*” in Housing Activity for 2004 was needed to acquire new information about “family units” and seasonal or overflow beds as well as to identify any new beds/units or changes in the status of existing beds/units. An “Update Questionnaire” was sent to Survey and Inventory Coordinators in each district in June and the new information as well as some minor corrections and adjustments were then made to last year's Housing Activity chart to produce an “interim” 2004 Housing Activity data base.

Emergency Shelter and Transitional Housing are defined by the Coalition as follows:

Emergency Shelter: Short term congregate beds that meet the minimum need in crisis situations and for homeless persons living on the streets. While most Montana shelters limit stays to 60 days, our definition would include shelter up to 6 months solely due to the fact that CDBG pays for emergency hotel vouchers for up to 6 months.

Transitional Housing: The Coalition has identified five distinct criteria for defining transitional housing:

1. 6-24 month residence
2. Distinct units
3. Accessed through referral
4. Commitment by the resident to engage in supportive services
5. Residents set goals for becoming stable members of the community.

(b) The planned September date for conducting the next combined Homeless Survey/Housing Activity Inventory/Subpopulations Served Survey will now be postponed from September 30th to the last week in January. A network of district coordinators is in place and the forms and protocols for each data source are also already prepared. One month before the targeted survey date (to be selected at our Sept 9-10 Planning Session), the packets will be distributed to the 10 District Coordinators who will,

in turn, distribute the Housing Activity Inventory to each of 49 organizations providing shelter and/or housing.

2. Housing Gaps Analysis Chart.

Briefly describe the basis for the community's determination as to the amount of unmet need.

Last year's method was slightly modified to provide a more systematic basis for determining unmet need. For Emergency Shelter beds, both individual and family, the gap is now calculated by multiplying "total need" (i.e. total number of homeless counted in the survey minus inventory of existing beds) by 10% to produce "unmet need." In other words, our goal is to fill only 10% of the simple "total need." While somewhat arbitrary, many factors went into arriving at this percentage, including the level of confidence in the actual data (most feel the total need was unrealistically high), the high level of transience in shelter usage and the fact that there is a low frequency of 'filled' rates," in many of the larger city shelters. This percentage also reflects the Coalition's priority is not on shelters.

Determining the "unmet need" or gap for transitional beds was a little more complicated. The Coalition's priority over the past year has clearly moved towards "housing first," but it also recognizes there are still subpopulations that need transitional housing. Those groups were identified as homeless due to 1) serious mental illness, 2) substance abuse, 3) dual diagnoses, 4) domestic violence—but only half of the total count—and, 5) homeless teen mothers or pregnant teens. These subpopulations were added together to produce "total need." Only half of total domestic violence count was used as the best estimate of those who actually needed TH as opposed to PH. The inventoried number of beds for individuals and family beds, including beds under development, were then subtracted from this "total need" to produce "unmet need."

These same "total need" numbers were used to determine the gap in PSH by subtracting the number of inventoried beds for both individual and families from "total need" to produce the "unmet need."

3. Part 1 and 2 Homeless Population and Subpopulations Chart.

(a) Describe your community's methods for completing Part 1 and 2. for the 2004 CoC competition.

The Statewide Homeless Survey provides "unsheltered" data and the Subpopulations Served Survey is the source for "sheltered" data and were both conducted at the same time as the Housing Inventory—April 30, 2003. "Unsheltered" Chronic Homeless were determined by identifying "individuals" responding in the survey that they needed mental health assistance (#8) and were homeless due to mental health reasons or other serious disability (#9). This subset was then crossmatched with responses on the duration and frequency of homelessness (#14) to identify those who were homeless for more than a year or 4 times in the past 3 years. This subset was further reduced to identify only those who indicated on the survey (#15) that they spent the previous night either on the streets, at a camp or in a car. This data is completely reliant upon responses from the homeless persons themselves and the level of confidence is still to be determined, yet is our most direct and consistent source of data.

There are two potential sources for "Sheltered" Chronic Homeless data. The first uses the same final "subset" above and extracted from the Homeless Survey but then identifies which respondents said they stayed the previous evening in a shelter, motel, jail, hospital or with friends. This number was 171. The second source comes from the Subpopulations Served Survey conducted in facilities which asks shelter and housing facilities to identify how many CH homeless residents that had on the night of the survey. That number was 91, but respondents often indicated they didn't have the needed information to identify CH. For consistency, we used the homeless survey data of 171 sheltered.

All three of our data sources are "point-in-time" enumerations. The lead agency sponsoring all three surveys is the MT Continuum of Care Coalition (contact person: Robert Buzzas, 321 E. Main, Suite 316, Bozeman, MT 406-586-1572). Cosponsors include the Montana Department of Health and Human

Services and the Montana HRDC Directors Association. The process for collecting data is as follows: The Coalition sends a package containing the three surveys (Housing Inventory, Homeless Survey and Subpopulations Served Survey) with forms and protocols for each data source to coordinators in each of the ten districts who then distributes the appropriate survey packets to the appropriate parties. The Homeless Survey packets are sent to the volunteers and organizations that have been recruited in each district to conduct the survey (or canvass) of the homeless. Each district coordinator collects the completed surveys and sends them directly to a data manager (Dodge Data Systems, Helena, MT) who enters the data and prepares a statistical report. The Statewide Homeless Survey consists of 19 questions and over 90 data elements. It was conducted on one day/one night (April 28, 29, or 30th depending on the district) through 3 methods; a) canvassing streets, under bridges, in parks, campgrounds and other known sites of congregation, b) at shelters and TH facilities and, c) at other “points of service,” such as food pantries, thrift stores, churches etc. The survey was modeled after models in the HUD Survey Handbook and continues to be reviewed and revised on an annual basis. District Coordinators and other local Continuum members recruit well over 300 volunteers and some paid surveyors to reach statewide coverage in all major communities with populations over 20,000 and to include as many more remote and rural “points of service” as possible. The MT Department of Health and Human Services helps by making \$1,000 available to each district to underwrite costs.

The Subpopulations Served Survey is also forwarded by the district coordinators to the appropriate shelter and housing facilities who fill it out on the same day/night chosen by the district as the “point-in-time” survey date. This data is returned to either to the coordinator or directly to the Coalition Coordinator who assembles the data into a report. This survey consists of two forms that identify, for both individuals and families, which of their residents were from the 8 different subpopulations, including Chronic Homeless. As previously stated, many facilities said they did not collect sufficient information to identify the CH, but many have started collecting this information since our last survey.

- (b)** The Coalition plans on continuing to conduct the Subpopulations Served Survey that provides the “sheltered” data on an annual basis during the last week in January. The exact date will be selected at our annual planning meeting on September 9-10. It will follow the same method and process as before.
- (c)** The Coalition plans on continuing to conduct the Statewide Homeless Survey that provides “unsheltered” data on an annual basis during the last week in January. The exact date will be selected at our annual planning meeting on September 9-10. The survey will follow the same method, process and protocols as our last survey.
- (d)** The 2004 CH numbers changed following a quality control review of the previous data. A special computer run was made for the CH subset to obtain additional information. From this, we identified additional CH who had stayed the previous evening in motels, with friends, jails or in transitional housing and adjustments were made to the “sheltered” numbers. We were also able to clearly identify “unsheltered” by cross tabbing the CH subset to only those who stayed the previous night on the streets, or in a camp or car. This review provided us with more consistent numbers and a better protocol for identifying CH in the next survey.

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Continuum of Care: Exhibit 1 Homeless Management Information System (HMIS)

Describe in a brief narrative.

Montana elected to modify a system currently in use known as CDS (Central Database System). CDS was developed by the Montana Department of Health and Human Services (DPHHS) to meet the U.S. Dept of HHS's ROMA data management needs. This option was also the recommendation of a HUD HMIS TA consultant who inspected several systems in the state and worked with a group considering the purchase of new software. The CDS is being adapted for HMIS under a contract with Northrup Grumman (NG) who is also the contract operator of the CDS system. .

DPHHS and the CoC began working with NG within two weeks of receiving the grant notification to start the process. Northrup Grumman/DPHHS/CoC sponsored a series of meetings designed to recruit potential users, identify user needs and develop the NG Scope of Work to be approved by DPHHS before the actual technical modifications could begin. During this time, NG made an in-depth study and evaluation of the federal requirements for HMIS, met with HUD technical advisors and homeless providers and made their own independent conclusion that indeed, the best option for a Montana HMIS was to replicate the essential CDS modules and modify them to include additional functionality required of a HMIS. During this period, other state procurement approval specific to software and data management was also secured.

Following is an abbreviated schedule of activities to date:

- HMIS Grant Notification Received December 22, 2003
- HMIS User Groups Meet with Contractor
 - Helena January 12, 2004
 - Great Falls March 29, 2004
 - Missoula March 30, 2004
 - Billings March 31, 2004
 - Helena (Domestic Violence Shelters) April 23, 2004
- N.G. Statement of Work Approved July 10, 2004

Northrup Grumman is now engaged in the replication and modifying of the CDS system and is working with the CoC's to achieve an earlier implementation date than proposed in the original application. The following milestone dates highlight the remaining plan for implementation:

- Joint Application Design (JAD) Group Session August 8, 2004
- Prototype Delivery October 8, 2004
- Phase 1 Group Begin Implementing October 15, 2004
(Beta Test Users Group)
28% ES, 20% TH, 60% PSH beds
- Conduct final systems test January 11, 2005
- Delivery and Sign Off on System February 10, 2005
- Phase 2 Group Implementation Begins March 1, 2005
48% ES, 71% TH, 99% PSH
- Phase 3 Group Implementation Begins June 1, 2005
92% ES & 90% TH, 100% PSH
- System fully implemented September 1, 2005

Recruitment

We have currently recruited 8 of 25 emergency shelters, 13 of 27 transitional housing facilities and 5 of 5 PHS programs to begin participating in the first data entry starting October 15, 2004. We will survey these users in January, 2005 about their use and experience and conduct a focus group to reassess our current strategy and guide our recruitment efforts for Phase 2 & 3 participants.

Up to this point, our strategy has been driven by early outreach with end users, particularly those receiving no McKinney-Vento funding or with little or no involvement in the Continuum. While most parties indicated they are at least open to trying HMIS, they consistently identified three factors that will affect their final decision to fully adopt and participate in the HMIS. They are:

(a) User friendly

It is imperative that an HMIS be very easy to use by volunteers or staff who typically (especially in shelters) have little computer literacy or experience. We were consistently warned that a very low level of frustration would be tolerated and the system would have to be easy to learn and use.

(b) Affordability (cost & time)

Most shelters indicated that they operate with donated (even discarded) computer hardware and cannot afford to buy new equipment. But cost is even more of a concern in terms of staff time. While the opportunity is great for HMIS to provide a more efficient replacement to paper-based systems, we will need to overcome considerable resistance to learning a new system or replicating their own systems. We also learned that donated computers might not be the lure or incentive we first thought for the same reason. While this is not as big a factor with TH programs, most of them already have systems in place and are not eager to take on new ones.

(c) Useful

Above all else, most potential participants indicated that if the system is actually useful to them, they will participate. In some cases, HMIS does more than they need, but does not do other things they need. While we know the system due for delivery in February, 2005 will not do everything users have requested, additional services can be added in the future, if needed.

Therefore, our strategy is to:

1. Take the time to engage end users in the design and testing of the HMIS
2. To the extent affordable, build a system that gives users what they want/need.
3. Start with a core group of participants willing to help develop and promote the system
4. Consider both hardware and internet access grants
5. Design easy-to-use training resources and provide technical support
6. Promote the potential for HMIS to provide information that will help us all to more effectively address the homeless crisis.

Each strategy can be summarized as follows:

1. We are actively implementing this strategy through Joint Application Development sessions involving end users and through extensive testing by providers of a prototype system.
2. We are already aware of some features wanted by shelters (e.g. ability to make bed assignments) that are not affordable, at least in the beginning. NG, however, has made and continues to make considerable effort to ask users "what does an HMIS system need to do for you?" We are currently engaging a users group in the final development phase.
3. The initial user group continues to be a part of the JAD and consists, among others, of 10 individuals, 4 of which work for combined ES-TH organizations, 3 from ES (including 2 from Rescue Missions which will be among the most challenging to recruit), 2 from TH programs and 1 from PSH. This group includes key individuals that others will look to when considering their own participation.
4. Funds were included in our grant request for making limited hardware or internet donations and we are currently trying to determine how to best use these incentives.

5. N.G. and DPHHS developed training and technical assistance systems for the CDS system and will capitalize on the lessons learned in the experience to do the same for HMIS.
6. We anticipate this will be the most important factor in recruiting participation from those organizations who are independent from any government support. While it is too early to tell just how far HMIS can go to “be all thing to all people,” one early indication comes from the state’s domestic violence association. After a meeting arranged just to deal with DV shelter issues, two DV activists thought the HMIS would better serve their members than their current system and indicated they would seriously consider HMIS.

- a. **Please check one of the following which best reflects the status of your CoC in having a Continuum-wide HMIS (see Section O of the “Questions and Answers” supplement to the application before completing):**

SPECIAL NOTE TO (b):

The following options do not provide a suitable answer for our current state of implementation. While we are beyond “*has decided to implement and is selecting needed software and hardware*,” we cannot claim to have “*implemented a Continuum-wide HMIS*.” In fact, we are in the process of implementing and are on schedule for entering client data the latter half of this year. Our selection of “has implemented” was guided by the answer Mike Roanhouse gave to an identical question during the second webcast.

- ☐ The CoC has not yet considered implementing an HMIS.
- ☐ The CoC has been meeting and is considering implementing an HMIS.
- ☐ The CoC has decided to implement an HMIS and is selecting needed software and hardware.
- ☒ **X** The CoC has implemented a Continuum-wide HMIS.
- ☐ The CoC has implemented, but is seeking to update or change its current HMIS.
- ☐ The CoC has implemented, but is seeking to expand the coverage of its current HMIS system.

- b. **If your CoC has already implemented or is seeking to update or expand its HMIS system, identify in the table below how many of the Current Inventory in 2004 beds are listed on your Housing Gaps Analysis Chart.**

While we are not “currently” entering data, our planned “Inventory in 2004” begins with entering data on October 15 for 8 of 25 shelters, 13 of 27 TH facilities and 5 of 5 PSH projects. the following number of beds:

Current Inventory in 2004		
Beds/Percentage Providing Client Data into HMIS		
	Individuals	Families
	<u>Individuals</u>	<u>Families</u>
Emergency Shelter	146 beds/33%	59 beds/22%
Transitional Housing	70 beds/39%	164 beds/77%
Permanent Supportive Housing	81 beds/61%	10 beds/24%

Form HUD 40076 CoC-J

Exhibit 1: Continuum of Care: Project Priorities Chart

(1) Applicant	(2) Project Sponsor and Project Name	(3) Numeric Priority	(4) **Requested Project Amount	(5) Term of Project In YRS	(6) Program and Component/Type*				
					SHP	SHP	S+C	S+C	SRO
					new	Renew	new	renew	new
Missoula Housing Authority	(no sponsor) MHA 26 New S+C Vouchers	1	\$ 743,040	5			TRA		
Missoula County	Western Montana Mental Health Center / Turning Point Addiction Services SHARE HOUSE Transitional Housing	2	\$ 393,330	2		TH			
Missoula County	YWCA of Missoula / March Against Homelessness Transitional Housing	3	\$ 35,240	1		TH			
Missoula County	YWCA of Missoula / Ada Feldman Transitional Housing	4	\$ 65,761	1		TH			
The Samaritan Housing, Inc.	(no sponsor) The Samaritan House Case Management Project	5	\$ 63,000	1		TH			
Florence Crittenton Home	(no sponsor) Pathways to Success	6	\$ 373,639	3	TH				
Sanders County Coalition for Families	(no sponsor) LaVonne Kennedy Transitional Housing Program	7	\$ 56,964	1		TH			
District IV HRDC	(no sponsor) McLaughlin Transitional Housing Project	8	\$ 16,800	1		TH			
District VII HRDC	(no sponsor) Community Partnership for the Homeless	9	\$ 63,000	1		SSO			
Northwest Montana Veterans Stand Down	(no sponsor) Veterans Service Center	10	\$ 105,800	3	SSO				
Missoula Housing Authority	(no sponsor) Missoula Housing Authority 20 Shelter Plus Care Vouchers Renewal	Na	\$ 110,400	1				TRA	
Missoula Housing Authority	(no sponsor) Missoula Housing Authority Shelter Plus Care 50 Voucher Renewal	Na	\$ 263,400	1				TRA	
Helena Housing Authority	Golden Triangle Mental Health Helena Housing Authority / (MT01C900005)	Na	\$ 70,896	1				SRA	
Helena Housing Authority	Golden Triangle Mental Health Helena Housing Authority / (MT01C900008)	Na	\$ 70,896	1				SRA	
			**Total Requested Amount:		\$2,432,166				

Required Narrative Response

a. Describe the methods you use to determine whether projects up for renewal are: (1) performing satisfactorily and (2) effectively addressing the needs for which they were designed.

The primary methods we use to ensure all renewal projects were performing well and fulfilling the intended need include:

1. All grantees are asked to report on the status of their projects during at least three of the five statewide meetings conducted throughout the year and all Coalition participants, drawing upon their own grant administration experiences, ask questions about each others' project performance and make suggestions for improvement.
2. APR data for all grantees is compiled, summarized and distributed to the Renewal Peer Review Committee (RPRC) which assesses the information and reports to all Coalition participants at the annual planning meeting (September 9-10 this year). In their report, the committee tries to identify any potential underperformers, makes suggestions and highlights successful projects. The report is also used as a primer for group discussion of how we will address the impending funding "pipeline" becoming full, the inevitability that not all renewal projects will be fundable and how priority needs will be defined for funding future projects. We are also still in the planning stages of deciding how this report will be used by the third-party Review Panel in their final ranking decisions.
3. In addition to completing a HUD Exhibit application, each project must also submit a Coalition designed "Pre-Application" that includes information about their own strategy and community's planning process, how the project fills a priority need and about their capacity. The Pre-Application also contains a section just for Renewal Applications that requires information from the APRs regarding project status, enrollment in mainstream programs (income at entry and exit) and progress toward their stated goals and objectives.
4. The third-party Review Panel consisting of 12 individuals use the Pre-Application renewal project information along with the Exhibit in their scoring of renewal projects. In addition, about half of the panel members have substantial grant review experience and performed their own assessment of cost-effectiveness based upon costs per individual or unit. Renewal applications came under particular scrutiny this year by the Review Panel and supportive-services-only projects are becoming increasingly challenged to demonstrate cost-effectiveness.

b. Describe how each new project proposed for funding will fill a gap.

#1 Missoula Housing Authority, "MHA 26 New S+C Voucher – New TRA."

The first ranked project fills our state continuums highest priority for establishing more permanent supportive housing by increasing 26 S+C vouchers for the hard-to-house homeless persons with disabilities. The Coalition's currently identified gap in permanent supportive housing targets a need for 286 more individual beds and 135 more family beds. The Missoula Housing Authority project will provide 23 single bedroom and 3, two-bedroom units to the seriously mentally ill, chronic alcohol and/or drug users and those with AIDS or related diseases. Missoula has approximately 24% of the state's homeless population but consistently serves homeless coming from across the state. The 26 new vouchers are driven by the success of the existing service-based programs and the accompanying increase in demand for permanent housing. With a current long waiting list for S+C vouchers, this grant will help to meet a pressing and immediate need.

#6. Florence Crittenton Home and Services; "Pathways to Success"

"Pathways to Success" will provide a transitional living program for pregnant and parenting young women and their babies, ages 14-18, who are homeless. The facility will provide up to 24 months of transitional housing and comprehensive supportive services for 8 residents at one time, in 2 apartments,

followed by 6 months of permanent housing aftercare services. There is only one other facility providing similar services in the entire state. This project fills a priority need in our gap of 291 transitional housing beds for families. Our most recent point-in-time survey found 9 females in need of pre-natal care, and yet between both Mountain Home (Missoula) and Florence Crittenton Home (Helena), there were no openings. This need was also been recently confirmed by the statewide HRDC Association which, at the end of the first year administering a Runaway and Homeless Youth grant, has a waiting list surpassing all projections and was unable to serve at least a couple of young pregnant homeless teens in the first half of 2004.

10. Northwest MT Veterans Stand Down, “Veterans Service Center”

As a supportive service only project, this application was heavily scrutinized but unanimously accepted for funding because of the increased outreach to Chronic Homeless individuals it will provide. While housing continues to receive a higher priority within the continuum, the need for increasing outreach to CH is also growing in priority. This applicant and project is particularly well suited to deliver on increased outreach as it sponsored the largest veterans Stand Down in the entire nation in 2003. This project itself is designed to provide additional supportive services to homeless veterans in the Northwest quarter of the state, including food, clothing, toiletries, household goods, medical equipment, and transportation assistance. Center staff engage in outreach activities with this hard to reach population and conduct thorough assessments, and offer advocacy and referral services, employment counseling, case management and follow up.

c. Demonstrate how the project selection and priority placement processes were conducted.

It is important to note here the enormous role played by the State of Montana Department of Public Health and Human Services and Jim Nolan of the Intergovernmental Human Services Bureau. Mr. Nolan was one of the original catalysts for forming the Coalition and continues to provide the Coalition with staffing through a part-time contract for services out of his office. His early involvement set the critical tone that helped the Coalition evolve into a truly collaborative statewide venture.

The Coalition has developed a strong tradition of inclusiveness and fairness. Participants sign a Memorandum of Understanding stating they will leave behind any local or organizational affiliation they have at the door and accept responsibility for addressing all homelessness across the entire state as a Coalition member. Our meetings are open to anyone at all times and we welcome anyone interested. All decisions except the final project ranking (which are now scored by a third-party review panel and accepted by the Coalition in a formal vote) are made by the group and by consensus. More than 80% of Coalition participants are from nonprofit organizations which also account for about 80% of the project applications.

(1) specify project solicitation efforts

Outreach and project solicitation are conducted at three levels; networking, press releases and direct outreach.

An extensive **local continuum network** has reached a level of critical mass to provide our most effective means of grassroots outreach into communities. Local continuums and the Coalition each produce various **press releases** or generate other news stories that continue to generate awareness of available CoC funding. **Direct outreach** is also used solicit projects in certain areas where need has been prioritized (such as S+C in Great Falls and PSH throughout the state) or with organizations predominantly serving the chronically homeless.

(2) identify the objective rating measures applied to the projects and the participants on the review panel or committee and, (3) explain the voting system used.

The Coalition's Process Committee met in March and after reviewing the HUD national and state debriefings, recommended that the Coalition replace its' past practice of Peer Review (scoring and ranking by all Coalition participants) by establishing a third-party Review Panel to do the project scoring and rankings.

A Review Panel consisting of 12 individuals was recruited in May with 5 members being completely outside of the Coalition, 3 being occasional Coalition participants representing organizations with no interest of ever submitting a project application and 4 being past CoC grant recipients (but who do not have projects up for renewal). This mix provided for some experienced members in the first transition year. The members were:

1. Marcia Armstrong, MT DPHHS, Addictive & Mental Disorders Div.
2. Bruce Brensdaal, Administrator, Montana Housing Division
3. Barbara Smith, Montana Faith Health Cooperative
4. Sherry Downing, MT DPHHS/Montana Council on Homeless staff person
5. Terry Teichrow, Homeless Children Coordinator, Office of Public Instruction
6. Jim Morton, Vice Pres. MT HRDC Directors Association
7. Maria Nyberg, God's Love, Helena
8. Dana Burkett, Housing Services, District IX HRDC, Bozeman
9. John Gardner, Director, Flathead County Office of Public Assistance, Kalispell
10. Gypsy Ray, Executive Director, Mountain Home, Missoula
11. Laurie Hartford, Manager, Healthcare for the Homeless, Billings
12. Theresa McCarthy, Director, Homeward Bound, Butte

All interested applicants were invited to attend a workshop in March to review the process and how to prepare a successful application. They were then required to submit both a Coalition designed Pre-Application and their HUD Exhibit by a deadline of June 11th. All applications were then copied into notebooks that also contained score sheets and scoring guidelines and sent to the Review Panel on June 16th. After sending a briefing package explaining the Continuum of Care process and scoring guidelines, an orientation briefing was offered to all Review Panel members. Panel members had until July 5th to return their score sheets which were then assembled in anonymous grid charts, totaled and presented to the Coalition at its' statewide meeting on July 8th.

The Scoring Guidelines closely followed the same one used in past years and included the following categories: Goals & Outcomes-20 points, Need-20 points, Planning and Strategy-10 points, Leverage & Use of Outside or Mainstream Resources-10 points. A cross-reference key was provided to identify where all relevant sources of information could be found in both applications for each scoring category.

The Coalition voted unanimously to accept the Review Panels scoring exactly as presented.

(4) explain any written complaints concerning the process

There were no written (or verbal or other) complaints concerning the process.

Exhibit 1: Continuum of Care Supplemental Resources**Enrollment and Participation in Mainstream Programs**

- (1) Check those mainstream programs for which your COC systematically helps homeless persons identify, apply for and follow-up to receive benefit under:

☒ SSI ☐ SSDI ☒ TANF ☒ Medicaid ☒ Food Stamps
☐ SCHIP ☐ WIA ☐ Veterans Health Care

- (2) Which policies are currently in place in your CoC to help clients secure these mainstream benefits for which they are eligible? Check those policies implemented by a majority of your CoC's homeless assistance providers:

- ☒ - A majority of homeless assistance providers have case managers systematically assist clients in completing applications for mainstream benefit programs.
- ☒ - The CoC systematically analyzes its projects' APRs to assess and improve access to mainstream programs.
- ☒ - CoC contains a specific planning committee to improve CoC-wide participation in mainstream programs.
- ☐ A majority of homeless assistance providers use a single application form for four or more of the above mainstream programs.
- ☐ The COC systematically provides outreach and intake staff specific, ongoing training on how to identify eligibility and program changes for mainstream programs.
- ☐ CoC has specialized staff whose only responsibility is to identify, enroll, and follow-up with homeless persons on participation in mainstream programs.
- ☒ - A majority of homeless assistance providers supply transportation assistance to clients to attend mainstream benefit appointments.
- ☒ - A majority of homeless assistance providers have staff systematically follow-up to ensure that mainstream benefits are received.
- ☐ Other (Please describe in 1-2 sentences.)

Form HUD 40076 CoC-L

Exhibit 1. CoC Project Performance - Housing and Services

1. Permanent Housing. HUD will be assessing the percentage of all participants who remain in permanent SHP or S+C housing for over six months. (SHP projects include both SHP-PH and SHP-Safe Haven permanent housing renewals.) Based on responses to APR Question 12(a) and information available on persons who did not leave (e.g., information to respond to APR Question 12(b)) from each of the above permanent housing projects included on your Priority Chart, complete the following:
 - a. What is the number of participants who **exited** the permanent housing project(s) during the operating year (from APR Question 12(a))? 25.
 - b. What is the number of participants who did **not leave** the project(s) during the operating year? 104.
 - c. Of those who **exited**, how many stayed longer than **6 months** in the permanent housing (from APR Question 12(a))? 25.
 - d. Of those who did **not leave**, how many stayed longer than **6 months** in the permanent housing? 84.
 - e. Of the total number of participants in the permanent housing project(s) (both those who left and those who stayed), what percentage stayed longer than 6 months (both those who left and those who stayed)? (c+d divided by a+b x 100 = e) 84.5 %.
2. Transitional Housing. Based on responses to APR Question 14 from each of the above projects included on your Priority Chart complete the following:
 - a. What is the total number of participants who left transitional housing project(s) during the operating year? (Include all persons who left, including those who left to an unknown destination.) 1188.
 - b. What is the number of participants who left and **moved to permanent housing**? 925.
 - c. Of the number of participants who left transitional housing, what percentage moved to permanent housing? (b divided by a x 100 = c) 77.9%.

Form HUD 40076 CoC-M page 1

B. Supportive Services

Continuum of Care Participation in Mainstream Programs and Employment Chart.

Number of Adults Who Left	Income Source	Number of Exiting Adults	% with Income at Exit
1167	a. SSI	238	20.4%
1167	b. SSDI	141	12.1%
1167	c. Social Security	62	5.3%
1167	d. General Public Assistance	120	10.3%
1167	e. TANF	165	14.1%
1167	f. SCHIP	0	0.0%
1167	g. Veterans Benefits	144	12.3%
1167	h. Employment Income	852	73.0%
1167	i. Unemployment Benefits	50	4.3%
1167	j. Veterans Health Care	0	0.0%
1167	k. Medicaid	284	24.3%
1167	l. Food Stamps	819	70.2%
1167	m. Other: MediCare	60	5.1%
1167	n. Other: Unspecified	12	1.0%
1167	o. Other: Child Support	295	25.3%
1167	p. No Financial Resources	123	10.3%

Form HUD 40076 CoC-M page 2

Exhibit 1: Continuum of Care Use of Other Resources Chart

Mainstream Resources	Use of Resource in CoC System for <u>homeless</u> persons (e.g., rehab of rental units, job training, etc.)	Specific Project Name	\$ Amount or number of units/beds provided within last <u>2 years</u> specifically for the <u>homeless</u>
CDBG	Domestic Violence Shelter Facility Remodel, Missoula	YWCA	\$ 38,500
	Emergency Shelter Vouchers, Missoula	Salvation Army	\$ 24,000
	Life Skills	B. Hamilton Project Mountain Home	\$ 18,304
HOME	Missoula Public Housing Authority, rehab into 14 SRO units	Missoula S+C/SRO	\$ 500,000
	Rental assistance, 10 homeless persons w/serious disabilities.	Flathead Lake CHDO	\$ 64,724
Housing Choice Vouchers (only if "priority" is given to homeless)	Rental Assistance	4 projects	11 units
Public Housing (only if units are dedicated to homeless)	Rental assistance for transitional housing clients moving into permanent housing.	9 PHAs utilize the Low Rent Public Housing Funds for this purpose	45 units
Mental Health Block Grant	The PATH program is dedicated for outreach to the homeless with mental illness.	4 Community Mental Health Centers	\$400,000
Substance Abuse Block Grant	Supportive Housing	Multiple projects. Group homes with homeless referrals	\$240,000 – 2002
Social Services Block Grant			
Welfare-to-Work			0
State-Funded Programs	Homeless Domestic Violence victim support. Children and Family Services, MT Dept of Health and Human Services	Granted to 36 DV shelters statewide	\$ 300,000
City/County Funded Programs	Emergency shelter and transitional housing staff and operations	Joseph Residence	\$ 77,000
	Case Management, rental assistance, support services	Poverello Center	\$ 147,600
	DV Shelter: staffing costs (County JV grant)	Social Security in Transition	\$ 18,000
	DV Shelter: client support (County BNA grant)	YWCA	\$ 5,000
	Transitional housing for teen mothers: basic needs (City funds)	YWCA	\$ 10,000
	Yellowstone County Health Department- Care for the Homeless (this is a federal grant to the county that they share with 4 sites around the state)	B. Hamilton Project Mountain Home Health Care for the Homeless	\$ 1,325,742
Private	DV Shelter: shelter costs (Individual/Business donations)	YWCA	\$ 55,500
	Fundraising	B. Hamilton Project Festival of Trees Mountain Home	\$ 24,000

Mainstream Resources	Use of Resource in CoC System for <u>homeless</u> persons (e.g., rehab of rental units, job training, etc.)	Specific Project Name	\$ Amount or number of units/beds provided within last <u>2 years</u> specifically for the <u>homeless</u>
Foundations (Identify by name)			
	Remodeling	Poverello Center	\$ 44,000
MJ Murdock Foundation	Facility addition	B. Hamilton Project Mountain Home	\$ 49,000
ELCA	Client services	Poverello Center	\$ 5,000
Dioceses of Helena Faith/Health Grant	Food/direct services	Poverello Center	\$ 1,500
Montana Foundation	Nursing services	Poverello Center	\$ 11,115
Verizon Foundation	Food	Poverello Center	\$ 500
Gallagher Foundation	Client services	YWCA	\$ 10,000
Brondum Foundation	Shelter remodel	YWCA	\$ 5,000
March of Dimes	Facility addition	B. Hamilton Project Mountain Home	\$ 5,000
Silver Foundation	Shelter remodel	YWCA	\$ 2,000
	Facility addition	B. Hamilton Project Mountain Home	\$ 1,500
Plum Creek Foundation	Drug testing equipment	B. Hamilton Project Mountain Home	\$ 2,450
	Facility addition	B. Hamilton Project Mountain Home	\$ 10,000
	General operating	B. Hamilton Project Mountain Home	\$ 2,500

Form HUD 40076 CoC-N

**Exhibit 1: Continuum of Care - Response to HUD Policy Priority For
Removal of Regulatory Barriers To Affordable Housing** *(up to 2 points)*

Form HUD 40076 CoC-O

Exhibit 1: Continuum of Care Supplemental Resources Project Leveraging Chart

Project Priority Number	Name of Project	Type of Contribution	Source or Provider	Value of Written Commitment
1	Missoula S+C 26 New Vouchers	Homeless Outreach, Intensive Case Management, Psychosocial Rehabilitation, Crisis Response	Western Montana Mental Health Center (WMMHC)	\$533,520
1	Missoula S+C 26 New Vouchers	Temporary Shelter and Meals	The Poverello Center	\$ 340,000
1	Missoula S+C 26 New Vouchers	Case Management, mental health therapy, medication assistance, medical services, group support	Partnership Health	\$ 73,840
			SUBTOTAL:	\$947,360
2	SHARE House	Volunteer Medical Director	Private Physician	\$300,000
2	SHARE House	Emergency Room Screening	St. Patrick Hospital	\$22,800
2	SHARE House	Medical/Dental Care & Medication	Partnership Health Center	\$160,000
2	SHARE House	Inpatient Substance Abuse Treatment	Montana Chemical Dependency Program	\$218,000
2	SHARE House	Outpatient Substance Abuse Treatment	Western Montana Mental Health Center - Turning Point	\$150,000
2	SHARE House	Outpatient Mental Health Treatment	River House - Western Montana Mental Health Center	\$346,300
2	SHARE House	Food Stamps	Office of Public Assistance	\$26,000
2	SHARE House	Food Donation / Emergency Shelter	Poverello Center	\$12,000
2	SHARE House	Food Donations	Missoula Food Bank	\$7,014
2	SHARE House	Employment Assistance / Evaluation / Vocational Training	Vocational Rehabilitation	\$90,000
2	SHARE House	Legal Services	Montana Legal Services	\$12,000
2	SHARE House	Food Vouchers	Missoula County Health Dep't— Nutrition Services	\$6,000
			SUBTOTAL:	\$1,350,114

Project Priority Number	Name of Project	Type of Contribution	Source or Provider	Value of Written Commitment
	March Against Homelessness	Group Facilitator	Volunteer	\$560
3	March Against Homelessness	Rental Assistance	Salvation Army	\$300
3	March Against Homelessness	Clothing, furniture, household items	Secret Seconds	\$1,146
3	March Against Homelessness	Therapy/ Group supervision	YWCA Pathways	\$7,540
3	March Against Homelessness	Children's programming	YWCA Children's program	\$1,749
3	March Against Homelessness	Legal Services	Monte Jewell, JD	\$10,909
3	March Against Homelessness	Food	Missoula Food Bank	\$150
3	March Against Homelessness	Financial Assistance	Office of Public Assistance	\$12,000
3	March Against Homelessness	Childcare	Volunteer	\$231
			SUBTOTAL:	\$34,585
4	Ada Feldman	Housing	YWCA of Missoula	\$44,640
4	Ada Feldman	Group Facilitator	Volunteer	\$560
4	Ada Feldman	Rental Assistance	Salvation Army	\$800
4	Ada Feldman	Clothing, furniture, household items	Secret Seconds	\$3,056
4	Ada Feldman	Therapy/ Group supervision	YWCA Pathways	\$15,600
4	Ada Feldman	Children's programming	YWCA Children's Program	\$4,830
4	Ada Feldman	Legal Services	Monte Jewell, JD	\$29,090
4	Ada Feldman	Food	Missoula Food Bank	\$ 400
4	Ada Feldman	Financial Assistance	Office of Public Assistance	\$32,000
4	Ada Feldman	Childcare	Volunteer	\$619
			SUBTOTAL:	\$131,959
5	The Samaritan House	Pregnancy Counseling	Hope Pregnancy Center	\$864
5	The Samaritan House	Blankets for homeless children	The Linus Project	\$1,680
5	The Samaritan House	Gifts and specialties for residents	Toys for Tots	\$1,200
5	The Samaritan House	Emergency assistance for families	Trinity Lutheran Church	\$1,200
5	The Samaritan House	Cleaning and Maintenance Volunteers	Coalition of Leah	\$2,160
5	The Samaritan House	Vehicle Maintenance Help	Flathead Job Service Volunteers	\$800

Project Priority Number	Name of Project	Type of Contribution	Source or Provider	Value of Written Commitment
5	The Samaritan House	Food, Clothing and Household items for homeless veterans	Northwest Montana Veterans Stand Down and Food Pantry	\$18,000
			SUBTOTAL:	\$ 25,904
6	Pathways to Success	Facility/Housing rent	FCHS Foundation	\$56,250
6	Pathways to Success	Utilities, Maintenance, taxes and insurance	FCHS Foundation	\$41,400
6	Pathways to Success	Furnishings for 16 apartments in community at \$1,000 per apartment	General Donations FCHS and FCHS Foundation	\$16,000
6	Pathways to Success	Furnishings for on site apartments	General Donations, FCHS Foundation	\$4,000
6	Pathways to Success	Volunteer mentors 3 hours per week @ \$10/hr x 16 girls x 3 years	From the Community Not yet recruited	\$74,880
6	Pathways to Success	Volunteers 5 hours per month x \$10 for 3 years	Board Members	\$39,600
6	Pathways to Success	Volunteers – daycare	Community members (\$19, 968) and other community programs such as RSVP (\$3,808 x 3 years)	\$31,392
6	Pathways to Success	Adoption Education	Catholic Social Services	\$2,000
6	Pathways to Success	Job training	CTI	\$24,000
6	Pathways to Success	Educational Support GED Prep and public schooling 16 girls @ ANB amount per year of \$5,371	Helena School District Project for Alternative Learning	\$85,936
6	Pathways to Success	Chemical Dependency Treatment	Benefits Health	\$48,672
6	Pathways to Success	Health Education	Planned Parenthood	\$39,000
6	Pathways to Success	Nutritional Education monthly at \$20/per girl	Montana State University Extension Office	\$2,880
6	Pathways to Success	Psychiatry	Golden Triangle Community Mental Health Center	\$47,520
6	Pathways to Success	Psychotherapy	Golden Triangle Community Mental Health Center	\$146,880

Project Priority Number	Name of Project	Type of Contribution	Source or Provider	Value of Written Commitment
6	Pathways to Success	Community Apartment Set up Value of volunteer contribution \$10.00 per hour. \$10 x 30hrs.= \$300 x 16 apartments = \$4,800	Volunteers from community	\$4,800
6	Pathways to Success	Public Housing	Helena Housing Authority	Undetermined Value
6	Pathways to Success	Clothing	Donations, Good Samaritan	\$28,800
6	Pathways to Success	Intern	University of Montana, Walla Walla (\$1,800 x 3years)	\$5,400
6	Pathways to Success	Day Care provider 1 FTE @ \$9.00 x .21 fringe x 3	FCHS	\$67,954
6	Pathways to Success	Parenting classes once a week @ \$25 per girl	FCHS	\$3,900
6	Pathways to Success	Staff Time .1 FTE Director of Development for fundraising @ 16.30+ 21% fringe	FCHS	\$12,307
6	Pathways to Success	.33 FTE Director of Operations for supervision of case manager	FCHS	\$51,510
6	Pathways to Success	.25 FTE Maintenance Staff	FCHS	\$6,695
6	Pathways to Success	Under served meal program	USDA \$1.43 for breakfast and \$2.21 for lunch for 4 girls, for 3 years	\$8,760
			SUBTOTAL:	\$708,170
7	LaVonne Kennedy	Support Group facilitation for Women & Children	SCCFF Staff	\$4,330
7	LaVonne Kennedy	Parent Education	SCCFF Contracted Facilitators	\$15,000
7	LaVonne Kennedy	Mental Health Services	Sanders County Community Mental Health Center	\$13,102
7	LaVonne Kennedy	Chemical Dependency Counseling	Flathead Valley Chemical Dependency Clinic	\$7,031
7	LaVonne Kennedy	Job Training	Working Innovations	\$6,000

Project Priority Number	Name of Project	Type of Contribution	Source or Provider	Value of Written Commitment
7	LaVonne Kennedy	Financial Assistance/ Food Stamps	DPHHS, Office of Public Assistance	\$44,460
7	LaVonne Kennedy	Legal Assistance	SCCFF Legal Dept.	\$14,292
			SUBTOTAL:	\$104,215
8	McLaughlin Transitional Housing Project	Energy Assistance	Energy Program	\$12,156
8	Same	Child Care	Child Care Link Resource and Referral	\$149,760
8	Same	Job Training, Supportive Services	Employment and Training	\$12,000
8	Same	Golden Triangle Mental Health	Mental Health Services	\$14,400
8	Same	Toole, Liberty and Choteau (TLC)	Substance Abuse Services	\$10,000
8	Same	District IV HRDC	Rent Subsidy	\$16,800
8	Same	TANF	Grant	\$22,896
8	Same	WIC	Food Vouchers	\$5,760
8	Same	North Havre Community Center	Food Baskets	\$2,500
			SUBTOTAL:	\$246,272
9	Community Partnership for the Homeless	Mental Health Services for the Homeless	Deering Clinic/Family Practice Center – County Health Dept	\$190,000
9	Community Partnership for the Homeless	Mental Health PATH Program	Mental Health of Billings – State of Montana	\$80,000
9	Community Partnership for the Homeless	The Hub - drop in facility for the Homeless	Mental Health of Billings	\$60,000
9	Community Partnership for the Homeless	Emergency Assistance - Emergency services for the homeless	St. Vincent de Paul Society	\$10,500
9	Community Partnership for the Homeless	Emergency Assistance to the homeless	Family Service, Inc	\$121,350
9	Community Partnership for the Homeless	LIEAP – Low Income Energy Assistance Program	District 7 HRDC	\$31,500
9	Community Partnership for the Homeless	Daycare Assistance	District 7 HRDC	\$40,480

Project Priority Number	Name of Project	Type of Contribution	Source or Provider	Value of Written Commitment
9	Community Partnership for the Homeless	Essential Services	District 7 HRDC	\$16,626
9	Community Partnership for the Homeless	First Month's Rent	District 7 HRDC	\$16,626
9	Community Partnership For the Homeless	General Assistance	District 7 HRDC	\$75,000
			SUBTOTAL:	\$567,082
10	Veterans Service Center	Staff Salaries and Benefits for 3 FTE	NW MT Veterans Stand Down	\$33,600
10	Veterans Service Center	Application Assistance 4 hrs wk x 150 x \$6	Volunteers NW MT Veterans Stand Down	\$3,600
10	Veterans Service Center	Food, Clothing, & Toiletries 540 households x \$300	NW MT Veterans Stand Down	\$162,000***
10	Veterans Service Center	Emergency Shelter	Samaritan House	\$5,346
10	Veterans Service Center	Employment Counseling 6hrs mo x 36 x \$10	Veterans Representative Montana Job Service, Kalispell	\$2,160
10	Veterans Service Center	Sorting and Stocking Gifts in-kind Donations 16hrs mo. x 36 x \$6	Lamplighters	\$3,456
10	Veterans Service Center	PTSD Counseling 12hrs mo. x 36 x \$13.22	Keith Heavy Runner Blackfeet Warrior Society	\$5,711
10	Veterans Service Center	Health Services	Veterans Outpatient Clinic, Kalispell, MT	As Needed
10	Veterans Service Center	Health Services	Fort Harrison VA Hospital, Helena, MT	As Needed
			SUBTOTAL:	\$215,873
Food, clothing, toiletries ***includes in-kind donations				
Non ranked S+C Renewal A	Missoula S+C 20 Renewal Vouchers	Homeless Outreach, Intensive Case Management, Psychosocial Rehabilitation, Crisis Response	Western Montana Mental Health Center (WMMHC)	\$82,080
Non ranked S+C Renewal A	Missoula S+C 20 Renewal Vouchers	Temporary Shelters and Meals	The Poverello Center	\$ 40,000

Project Priority Number	Name of Project	Type of Contribution	Source or Provider	Value of Written Commitment
Non ranked S+C Renewal A	Missoula S+C 20 Renewal Vouchers	Residential Support Living, job training and placement	Opportunity Resources, Inc.	\$ 13,544
Non ranked S+C Renewal A	Missoula S+C 20 Renewal Vouchers	Case Management, mental health therapy, medication assistance, medical services, group support	Partnership Health	\$ 11,360
Non ranked S+C Renewal A	Missoula S+C 20 Renewal Vouchers	Family advocacy, homelessness prevention, Housing Counseling	Women's Opportunity Resource Development (WORD)	\$ 4,000
Non ranked S+C Renewal A	Missoula S+C 20 Renewal Vouchers	Job Training and Placement	Missoula Job Service WORC Program	\$2,596
Non ranked S+C Renewal A	Missoula S+C 20 Renewal Vouchers	Interim Assistance Program	Dist. XI Human Resource Council	\$2,250
Non ranked S+C Renewal A	Missoula S+C 20 Renewal Vouchers	Case Management and Medicaid Services	Community Medical Center	\$ 2,391
Non ranked S+C Renewal A	Missoula S+C 20 Renewal Vouchers	Emergency Food	The Food Bank	\$ 400
			SUBTOTAL:	\$ 158,621
Non ranked S+C Renewal B	Missoula S+C 50 Renewal Vouchers	Homeless Outreach, Intensive Case Management, Psychosocial Rehabilitation, Crisis Response	Western Montana Mental Health Center (WMMHC)	\$205,200
Non ranked S+C Renewal B	Missoula S+C 50 Renewal Vouchers	Residential Support Living, job training and placement	Opportunity Resources, Inc.	\$33,860
Non ranked S+C Renewal B	Missoula S+C 50 Renewal Vouchers	Temporary Shelters and Meals	The Poverello Center	\$125,000
Non ranked S+C Renewal B	Missoula S+C 50 Renewal Vouchers	Case Management, mental health therapy, medication assistance, medical services, group support	Partnership Health	\$28,400
Non ranked S+C Renewal B	Missoula S+C 50 Renewal Vouchers	Family advocacy, homelessness prevention, Housing Counseling	Women's Opportunity Resource Development (WORD)	\$10,000
Non ranked S+C Renewal B	Missoula S+C 50 Renewal Vouchers	Job Training and Placement	Missoula Job Service WORC Program	\$6,490

Project Priority Number	Name of Project	Type of Contribution	Source or Provider	Value of Written Commitment
Non ranked S+C Renewal B	Missoula S+C 50 Renewal Vouchers	Case Management and Medicaid Services	Community Medical Center	\$5,979
Non ranked S+C Renewal B	Missoula S+C 50 Renewal Vouchers	Energy Assistance (LIEP)	Dist. XI Human Resource Council	\$ 3,862
Non ranked S+C Renewal B	Missoula S+C 50 Renewal Vouchers	Emergency Food	The Food Bank	\$1,000
			SUBTOTAL:	\$419,791
Non ranked S+C Renewal C	Helena Shelter Care Plus	Case Management	Golden Triangle Community Mental Health Program	\$70,917
Non ranked S+C Renewal C	Helena Shelter Care Plus	Life Skills (outside of case management)	Golden Triangle Community Mental Health Program	\$ 2,740
Non ranked S+C Renewal C	Helena Shelter Care Plus	Mental Health Services	Golden Triangle Community Mental Health Program	\$26,291
Non ranked S+C Renewal C	Helena Shelter Care Plus	Other Health Care Services	Golden Triangle Community Mental Health Program	\$ 3,871
Non ranked S+C Renewal C	Helena Shelter Care Plus	Education	Golden Triangle Community Mental Health Program	\$23,935
Non ranked S+C Renewal C	Helena Shelter Care Plus	Employment assistance	Golden Triangle Community Mental Health Program	\$ 1,006
Non ranked S+C Renewal C	Helena Shelter Care Plus	Other	Golden Triangle Community Mental Health Program	\$46,041
			SUBTOTAL:	\$174,802
Non ranked S+C Renewal D	Helena Shelter Care Plus	Case Management	Golden Triangle Community Mental Health Program	\$79,995
Non ranked S+C Renewal D	Helena Shelter Care Plus	Life Skills (outside of case management)	Golden Triangle Community Mental Health Program	\$ 4,009
Non ranked S+C Renewal D	Helena Shelter Care Plus	Mental Health Services	Golden Triangle Community Mental Health Program	\$14,432
Non ranked S+C Renewal D	Helena Shelter Care Plus	Other Health Care Services	Golden Triangle Community Mental Health Program	\$3,175
Non ranked S+C Renewal D	Helena Shelter Care Plus	Education	Golden Triangle Community Mental Health Program	\$22,020

Project Priority Number	Name of Project	Type of Contribution	Source or Provider	Value of Written Commitment
Non ranked S+C Renewal D	Helena Shelter Care Plus	Employment assistance	Golden Triangle Community Mental Health Program	\$778
Non ranked S+C Renewal D	Helena Shelter Care Plus	Other	Golden Triangle Community Mental Health Program	\$330
			SUBTOTAL:	\$124,739
			GRAND TOTAL:	<u>\$ 5,209,487</u>

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